

Report Q169

in the name of the Argentinean Group
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**Criminal law sanctions with regard to the infringement of
intellectual property rights**

2. Substantive Law

- 2.1 Penal sanctions have been in force since long before the TRIPS Treaty was adopted by Argentina. A special Law improving penal sanctions related with infringement of software has been enacted after TRIPS.
- 2.2 Regarding trademarks, a special intentional element is not necessary, because the Law presumes that dealers are expected to keep accurate records of their commercial operations, and should be able to prove the source from which they obtained the infringing goods, so that the owner of the trademark may prosecute the party or parties responsible for the infringement. This point of view has been ratified by a quite recent Supreme Court decision in re **Sandys Confezioni S.P.A.** (S. 350-XXII, March 13, 1990).

With respect to copyright and patents, the courts normally require that the culprit has had a reasonable opportunity to be aware of the rights protected that he has infringed, which is almost equivalent to the requirement of an intentional element.

In general, the burden of proof has to be assumed by plaintiff, except, with respect to trademarks and patents, when the culprit refuses to give proof and information regarding:

- a) the name and address of whoever sold or deliver the infringing goods, when such transaction took place, as well as to exhibit the respective invoices;
- b) the amount of units manufactured or sold and their price, as well as to exhibit the sale invoices.
- c) the identity and domicile of the persons to whom the goods were sold.

The refusal to supply the above information, as well as the absence of adequate records regarding the infringing goods authorizes to assume that the person in whose possession the goods were found has participated in the counterfeiting or fraudulent imitation.

- 2.3 In principle, there are no differences between the acts of infringement of intellectual property, although criminal actions tend to be rare, because the burden of proof is generally stricter, and the litigation is more cumbersome and costly.

Nevertheless, if a criminal action is instituted, the Criminal Court may also asses damages if so requested.

In civil actions the terms of limitation are of three years after the infringement takes place, or one year after the owner of the trademark becomes aware of the infringement.

As regards criminal actions and the request for damages, the term of limitation is of two years.

2.4 Argentine Law does not permit the application of penal liability against a legal moral person for acts of counterfeiting, although it may be held liable for damages.

2.5 The penal Court has the capacity to appreciate the validity of an intellectual property, and to declare it invalid.

2.6 The different sanctions for infringement of intellectual property rights are:

2.6.1 Trademarks

The Argentine Trademark Law 22,362 ("the Trademark Law") provides that imprisonment from three (3) months to two (2) years shall be imposed, in addition to which a fine from one million (\$ 1,000,000) to one hundred and fifty million pesos¹ (\$ 150,000,000) may be levied upon those who:

- a) counterfeit or fraudulently imitate a registered trademark or tradename;
- b) use a counterfeit or a fraudulently imitated registered trademark or trade name, or one belonging to a third party without his consent;
- c) offer for sale or sell a counterfeit or fraudulently imitated registered trade mark or trade name, or one belonging to a third party without his consent;
- d) offer for sale, sell or otherwise market products or services with a counterfeit or fraudulently imitated registered trademark.

The National Executive Power shall update the amount of the fine annually on the basis of the variation recorded in the index for general level wholesale prices, officially published by the National Institute of Statistics and Census.

The aggrieved party may, regardless of the kind of action elected, apply for:

- a) seizure and sale of goods and other objects bearing an infringing trademark;
- b) destruction of the infringing trademarks and trade names and of all objects bearing same, unless they can be separated therefrom.

Upon request, the Judge shall order the publication of the judgement at the cost of the offender, if the latter were condemned or defeated in the proceedings (Section 34 of the Trademark Law).

The Trademark Law also provides in its section 38 that the owner of a registered trademark to whom information is brought of the existence of products bearing an infringed trademark may request the Court:

- a) the attachment of the products;
- b) the drawing up of an inventory and description thereof;
- c) the seizure of one sample of the infringing products.

The certificate of registration must be filed and the address in which those products may be found must be provided to the Court, which will grant the so-called precautionary measures '*inaudita parte*' (i.e. without hearing the other party).

¹ One peso is equivalent to one US dollar.

The precautionary measures are useful to ensure evidence of the infringement. Likewise those measures are a means to find out the source of the infringing products, in the event the premises at which they are performed do not correspond to the manufacturer, as the person who is in charge of the place where the products are found must furnish information as to the name and address of the person who sold him the goods and exhibit the corresponding documentation (invoices or the like).

If the attachment of the existing stock of questioned products is requested, the Court may ask the petitioner to post a bond, which may vary depending on the Court criterion.

After the precautionary measures have been effected a Bill of Complaint must be filed within fifteen working days as from the performance of the said measures as otherwise the infringer may request the Court to return the seized products to him and to raise the attachment (in the event it had been requested and granted).

We would point out that during the lawsuit the trademark owner may apply for an injunction based upon article 50 of the TRIPS Agreement. Argentine Courts have granted precautionary measures based upon Article 50 of the TRIPS Agreement that would prevent the infringer to make use of the infringing trademarks until a final decision in the case is rendered, provided the petitioner posts a bond to secure the damages it may cause if the injunction is later found to be wrongfully granted.

2.6.2 Patents

Argentine Patent Law No 24,481 (the "Argentine Patent Law") sets forth the sanctions for the violation of its provisions.

Section 75 establishes that the defrauding of the rights of inventors shall be deemed to be counterfeiting and shall be punished with imprisonment of from 6 months to 3 years and with a fine.

The same penalty of Section 75 shall be imposed on those who knowingly:

- a) produce or cause to be produced one or more goods in violation of the rights of the owner of the patent or of the utility model;
- b) import, sell, offer to sell or market or exhibit or introduce into the territory of the Republic of Argentina on or more objects in violation of the rights of the owner of the patent or the utility model (Section 76).

The same punishment increased by one third shall be imposed on:

- a) the proxy, partner, advisor, employee or workman of the inventor or of his lawful successors who usurps or discloses the invention not yet protected;
- b) those who by corrupting a partner, proxy, advisor, employee or workman of the inventor or of his lawful successors, obtain the disclosure of the invention;
- c) those who violate the duty of confidentiality imposed by law (Section 77).

A fine shall be imposed on anyone who, without being the owner of a patent or of utility model, or no longer enjoying of the rights granted thereby, makes use on his products or on his advertisements, of indications susceptible of inducing the public to error with regard to their existence.

In the cases of repetition of the offences punished by the Law N° 24,481, the penalty shall be doubled (Section 79).

Criminal participation and concealment shall be punishable pursuant to the Criminal Code (Section 80). In addition to criminal actions, the owner of the patent and his licensee, or of the utility model, may file a civil suit to prohibit the continuation of the illegal use and to obtain a redress for the damages suffered (Section 81).

After submitting the patent certificate or the utility certificate, the damaged party, under the securities that the judge may deem necessary, may request the following preventive measures (Section 83):

- a) The seizure of one or more samples of the infringing product of the description of the incriminated procedure.
- b) The inventory or the attachment of the falsified goods and of the machines especially intended for the manufacturing of the products or the performance of the incriminated procedure.

According to Section 85, any person in possession of infringement products, shall give full information regarding the name of whoever sold them to him or obtained them for him, their quantity and value, as well as the time when their sale began, under penalty of being considered as an accomplice. The Court office shall record the explanations given by the interested party, spontaneously or at his request.

Plaintiff may request a security from the defendant in order not to interrupt him in the use of the invention, should the latter wish to continue with such use and, in default of such security, plaintiff may request for the suspension of the use, giving, in his turn, suitable security, if requested (Section 87). Article 50 of the TRIPS Agreement also applies.

2.6.3 Industrial models

Industrial models are governed in Argentina by Decree 6673/63, dated August 9, 1963 (the "Argentine Design Law"), that provides in its Section 19 that the owner of a model or design registration has the right of action against anyone who, without authority, industrially or commercially makes use of the registered design or imitations thereof, whether with respect to the same product or different ones. Such action may be instituted in the Federal Courts in civil matters for the purpose of recovering damages and obtaining an order restraining such use, or else in the Criminal Courts if the imposition of the penalties described in this law is also sought (Section 19).

Those who, in good or ill-faith, infringe the rights granted in respect of a registered model or design shall be bound to compensate the owner of the registration for the damages that he may have sustained, and also in the event of ill-faith, to restore to him any benefits resulting therefrom (Section 20).

Section 21 provides that the following shall be punished with a fine of from \$ 3,000 to 100,000 pesos:

- 1) Those who manufacture or cause to be manufactured industrial products having the characteristics protected by a model or design registration or copies thereof.
- 2) Those who, in the knowledge that they are committing an unlawful act, sell, put up for sale, exhibit, import, export, or in any other way trade in the products referred to in the preceding paragraph.
- 3) Those who, with ill intent hold said products or withhold information as to the manufacturers thereof.
- 4) Those who, with ill intent claim to have registered a model or design, without holding such registration.

- 5) Those who sell as their own, drawings of designs covered by a registration belonging to a third party.

In the event of second or subsequent offences, the penalties shall be double those prescribed in this Article.

Section 24 of the Argentine Design Law further provides that registered owner of a model or design who is aware that, in a business house or factory or any other place, his registration is being infringed by the use of a design on objects in trade or industry, may apply to the Judge, giving adequate security and submitting the Certificate of Registration, for an Officer of the Court to be appointed to go to such place and seize a sample of the infringing products, taking a detailed inventory of the stocks thereof. The corresponding order shall be issued within 24 hours after the application therefore.

When the person found in possession of the goods is not the producer thereof, he shall be bound to give the owner of the model of design an explanation as to its origin, in such a way as to enable him to prosecute the manufacturer. In the event that such explanation is refused or is found to be false or incorrect, the person found in possession of the goods may not plead good faith.

In addition to the foregoing, both in civil and criminal actions the plaintiff, by separate motion, may demand a security of the defendant, so as not to interrupt him in the use of the model or design alleged to be an infringement should the latter wish to continue using it and, in the absence of security, he may request suspension of such use, and the attachment of all the allegedly infringing objects in the defendant's possession, giving adequate security on request. The securities shall be real and be fixed by the Judge on the basis of the interests at stake.

2.6.4 Copyright

Argentine Copyright Law 11,723 (the "Argentine Copyright Law") sets forth in Section 71 that any person who in any manner or in any form infringes the copyright recognized by this Law shall be liable to the penalty established by Section 172 of the Criminal Code (imprisonment up to six years).

Section 72 of the Argentine Copyright Law also provides that the following acts shall be considered special cases of infringement, and the following persons shall be subject to the penalty prescribed by Section 172 of the Criminal Code, as well as the sequestration of the illegal editions:

- a) Any person, who publishes, sells or reproduces through any medium or instrument an unpublished or published work, without the authorization of the author or his successors in title;
- b) Any person who falsifies intellectual works by publishing already published works falsely bearing the name of the duly authorized publisher;
- c) Any person who publishes or reproduces a greater number of copies than those duly authorized.

Section 72 bis of the Argentine Copyright Law further provides that the following shall be punishable with imprisonment from one month to six years:

- a) Any person who, with commercial purposes, reproduces a phonogram without the written authorization of its producer or of its producer's licensee.
- b) Any person who, with the same purpose, enables the illegal reproduction by renting phonographic discs or other material means.

- c) Any person who, following third parties' request and due to the payment of a price, reproduces unauthorized copies.
- d) Any person who stores or exhibits illegal copies and can not show evidence of their origin through the corresponding invoice which commercially bound him with a legitimate producer.
- e) Any person who imports the illegal copies for their distribution among the public.

Both in commercial or criminal courts, the injured person shall be entitled to request the seizure of the phonographic copies illegally reproduced as well as of any other means of reproduction.

The judge may order such judicial measure ex officio, as well as request sufficient guarantee to the person who filed such measure, if he considered that such person may be insolvent. If such preliminary measure were requested by a collecting society of authors or producers, which its representation has been duly authorized, such bond shall not be necessary.

If no action, denouncement or criminal complaint is submitted within fifteen days as from the seizure, the measure can be declared invalid upon the request of the owner of the seized copies without prejudice of his liability for filing such measure. Upon the injured party's request, the Judge may order the seizure of the illegal copies, as well as of any other means of reproduction. Illegal copies shall be destroyed and equipment for reproduction shall be sold at auction. The purchaser of such equipment shall have to give evidence of its character of phonographic producer or producer's licensee, so as to prove that he will not use the equipment for illegal purposes.

In addition to the sanctions described above, Section 73 of the Argentine Copyright Law sets forth that the following shall be punishable with imprisonment from one month to one year, or with a fine of from 1,000 to 30,000 Pesos:

- a) Any person who publicly performs or causes to be performed dramatic or literary works without the authorization of the authors or their successors in title;
- b) Any person who publicly performs or causes to be performed musical works without the authorization of the authors or their successors in title.

Any person who, by falsely representing himself to be the author, successor in title, or representative of the owner of rights, causes the suspension of a lawful public performance, shall be punishable with imprisonment of one month to one year, or with a fine of from 1,000 to 30,000 Pesos.

Section 79 of the Argentine Copyright Law provides that Judges may, as a preventive measure and after security has been provided by the interested parties, decree the suspension of a theatrical, cinematographer, philharmonic or analogous performance, the seizure of the denounced works, as well as the seizure of the proceeds already obtained, and any measure which may adequately protect the rights sanctioned by this Law.

No formality shall be required to prove the rights of the author or his successors in title. In case of dispute, such rights shall be subject to the means of proof established by the laws in force.

2.6.5 Utility models

The sanctions applicable to infringements of utility models are similar to those applicable to patent infringements.

2.6.6 Denominations of origin

The sanctions applicable to infringements of denominations of origin are similar to those applicable to trademark infringements, although the recently enacted Law No. 25,380 has still not been regulated, and therefore is not enforceable yet.

2.6.7 The courts, which impose penal sanctions, are qualified to allocate damages.

2.7 The person vested with the right to imitate a penal procedure is normally the registered owner thereof, whether it be a trademark, patent or any other intellectual right.

The burden of proof falls on the party that alleges the infringement, and there always is the possibility of settling the proceedings in civil matters, but criminal matters may be continued by the public prosecutor even if plaintiff withdraws its claim.

We have no statistical data regarding criminal procedures, but they are few, costly and lengthy.

2.8 The role of experts in a penal procedure is not different from their role in other procedures.

They are limited to opine regarding technical aspects involved, but it is up to the Court to determine the effect of their opinions in the interpretation of the Law.

2.9 The Group believes that with respect to trademarks, copyright and related rights, penal sanctions are advisable and effectively reduce the amount of infringements.

We believe that patents are another matter, frequently involving issues that are quite complex, and that many infringers may act in good faith, and that perhaps enhanced damages would be an adequate tool to punish more severely those who acted in bad faith.

3. Proposals for solutions for the future

3.1 We have given our opinion in 2.9.

3.2 The Group believes that the intentional element is always present, with very few exceptions, in cases of infringement of intellectual property rights.

We believe that our trademark Law is very effective when it demands the person in possession of counterfeit goods to provide the source thereof. This permits the innocent person to transfer the liability to the originator of the goods, but if he or his supplier fails to do so, who refuses to or cannot prove the origin of the goods must bear the burden of his lack of control.

3.3 The Group believes the penal judge, with the assistance of experts if necessary or advisable, can well rule on the validity of intellectual property rights.

3.4 The Group believes that in civil case the victims of counterfeiting must be a master of the proceedings and may put an end to it through a settlement.

In criminal matters, where a public interest may be at stake, the final decision should belong to the authorities.

The victim of the counterfeiting may be able to use in a civil procedure the documents obtained in a penal procedure, in particular, the evidence of the alleged counterfeiting.

4. We have no additional comments

Summary

The Group believes that criminal law sanctions should apply to the infringement of intellectual property, except for patents, where punitive damages should apply when pertinent.

In Argentina, normally criminal actions also involve civil damages, and therefore it is almost unknown to have two separate actions regarding the same question in different jurisdiction.

Résumé

Le Groupe croit que les sanctions pénales doivent être appliquées aux infractions a la propriété intellectuelle, sauf pour les brevets où les dommages punitifs doivent être appliqués quand c'est le cas.

En Argentine, c'est normal que les actions criminelles incluent aussi les réclamations pour dommages et intérêts, il est donc improbable d'avoir deux actions sur la même question dans des juridictions différentes.

Zusammenfassung

Die Gruppe glaubt, dass strafrechtliche Sanktionen auf die Verletzung der Rechte geistigen Eigentums angewandt werden sollten, mit der Ausnahme des Patentrechts, wo Schadenersatzstrafen, wenn angemessen, angewandt werden sollten.

In Argentinien beinhalten strafrechtliche Klagen normalerweise auch den zivilrechtlichen Schadenersatz und daher ist es nahezu unbekannt, hinsichtlich dergleichen Frage zwei unterschiedliche Klagen in verschiedenen Gerichtsbarkeiten anzustrengen.

Report Q169

in the name of the Australian Group
by Matthew SWINN

Criminal law sanctions with regard to the infringement of intellectual property rights

2. Substantive law

The groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.

2.1 *Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?*

The provisions of article 61 of the TRIPS Treaty are enacted as sections 145 to 149 of the *Trade Marks Act 1995* and section 132 of the *Copyright Act 1968* with respect to registered trade marks and copyright, respectively.

Sections 145 to 149 of the *Trade Marks Act 1995* provide that a person is guilty of an offence if the person falsifies a registered trade mark or falsely applies (ie, without the permission of the registered owner of the trade mark) a registered trade mark to goods that are to be dealt with in the course of trade if the person knows that the trade mark is registered or is reckless as to whether the trade mark is registered. A person is also guilty of an offence if the person makes or has in the person's possession, a die, block, machine or instrument knowing (or reckless as to whether) it is likely to be used to falsely apply trade marks to goods. It is also an offence to program a computer to falsify a trade mark.

Finally, it is an offence if a person intentionally deals in (i.e., sells, exposes for sale, possesses or imports) goods for the purpose of trade or manufacture knowing that (or reckless as to whether) a falsified registered trade mark is applied to them or a registered trade mark is falsely applied to them.

Regarding copyright, section 132 of the *Copyright Act 1968* sets out copyright offences. It is an offence for a person to:

- (a) make an article for sale or hire;
- (b) sell or offer for sale or hire by way of trade an article;
- (c) import an article into Australia for the purpose of selling or by way of trade offering for sale; or
- (d) distribute an article,

at a time when copyrights subsists in the work if the person knows (or ought reasonably to know) the article to be an infringing copy of the work.

It is also an offence for a person to distribute for the purpose of trade (or for any other purpose which prejudicially affects the owner of the copyright) an article that the person knows (or ought reasonably to know) to be an infringing copy of the work. It is also an offence to have such articles in one's possession for any of the purposes set out above. Further, it is an offence to make or have in the person's possession a device that the person knows or reasonably knows is to be used for making infringing copies of a work.

There are a series of further offences in the *Copyright Act* dealing with sound recordings, cinematograph films, devices intended to circumvent technological measures for preventing infringements, electronic rights management information incorporated within a work and so on.

In cases of unfair competition, section 75AZC of the *Trade Practices Act* 1974 provides, amongst other things, that a corporation shall not in trade or commerce in connection with the supply or possible supply of goods (or their promotion) represent that the goods have sponsorship or approval that they do not have. In the case of counterfeiting, the nature of the misrepresentation would be that the goods are manufactured by or with the approval of the registered owner of the trade mark or the proprietor of the copyright. This Act applies (with some exceptions) only to corporations. However, there is equivalent legislation in each of the States and Territories of Australia which applies to individuals.

The *Plant Breeders Rights Act* 1994 provides that intentional or reckless infringement of the exclusive rights granted by plant breeder's rights in a plant variety is an offence.

Australian national laws do not provide penal sanctions for violations of other intellectual property rights such as patents, utility models or registered designs.

There are other offences which may be committed by trade in counterfeit products such as obtaining of a financial advantage by deception,¹ but these are not considered in this report.

2.2 *The groups are invited to present the conditions of the penal liability for the acts of infringement of the intellectual property rights.*

And in particular, does this penal liability require a special intentional element?

Who has the burden of proof of this intentional element?

Is this special intentional element supposed or must it be proven positively?

Under the *Trade Marks Act*, the offences require knowledge or recklessness as to whether a trade mark is registered (or has been falsely applied, as the case may be).

Under the *Copyright Act*, the offences require knowledge or that the alleged offender ought reasonably to know an article to be an infringing copy of a work. These words require not only the knowledge of the general notion of copyright but also that the person accused of infringement (not merely the hypothetical reasonable person) ought, on the facts known to them, reasonably have known that the article or conduct was infringing.² There is no requirement to prove actual dishonesty.

The burden of proof of knowledge, recklessness or that the alleged offender ought reasonably to have known, as the case may be, is upon the prosecutor of the offence and must be proven beyond reasonable doubt. There are no presumptions made by Australian courts as to these states of mind.

In respect of unfair competition, the only question is whether or not there was a misrepresentation. Whether the misrepresentation was intentional or accidental is irrelevant to the question of liability under section 75AZC of the *Trade Practices Act*. Such factors will, however, be taken into account in assessing an appropriate fine.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

¹ The deception relates to the goods being sold as genuine articles; see for example *Crimes Act* 1958 (Vic), s. 82.

² See, for example, *Raben Footwear Pty Ltd v Polygram Records Inc* (1997) 37 IPR 417.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

There are significant differences between the matters which will give rise to civil liability for infringement of an intellectual property right and those which will give rise to penal liability for such an infringement.

The principal distinction concerns the state of mind of the alleged infringer.

Under the *Trade Marks Act*, civil liability for trade mark infringement does not require any enquiry as to the state of mind of the alleged infringer. By contrast, as mentioned above, the offences require knowledge or recklessness as to whether a trade mark is registered (or has been falsely applied, as the case may be).

Under the *Copyright Act*, civil liability for conduct constituting “direct infringement” such as reproducing, publishing or performing a work does not require any enquiry as to the state of mind of the alleged infringer whereas each of the offences require knowledge or that the alleged offender ought reasonably to know an article to be an infringing copy of a work.

However, civil liability for conduct constituting “indirect infringement” (such as importing and selling an infringing work) will only arise if the alleged infringer knew, or ought reasonably to have known, that the making of the article would, if the article had been made in Australia by the alleged infringer, have constituted an infringement of the copyright.

Aside from the mental state of the alleged infringer, there are certain circumstances which will give rise to penal liability which will not give rise to civil liability. These include, for example, the manufacture or possession of equipment to be used to falsify a trade mark.

Additionally, the *Trade Marks Act* has no civil liability equivalent of aiding and abetting the commission of an offence (which is itself an offence). The *Copyright Act*, on the other hand, provides for civil liability for authorising an infringement of copyright as the civil equivalent of aiding and abetting offences.

Under the *Copyright Act*, the major limitation of the penal provisions is the requirement that the allegedly infringing conduct be for the purposes of trade. Conduct such as tape recording radio broadcasts, personal photocopying or copying software without authorisation are all infringements of the copyright but are not criminal offences. The criminal provisions focus on sale and distribution in the context of trade.

Having identified these differences, it is nevertheless true that for the majority if not all cases of deliberate counterfeiting (such as selling counterfeits of well known brands or distributing pirate DVDs), the offender’s conduct will give rise to both penal and civil liability.

In relation to unfair competition, sections 53 and 75AZC of the *Trade Practices Act* describe conduct (relevantly, a misrepresentation) which will give rise to both civil and penal liability. Any person may bring a civil action for breach of this prohibition, whether or not that person has suffered any harm as a consequence of the offending conduct.

The limitation period in which a civil action may be brought for an infringement of an intellectual property right is six years with respect to all infringements. There is no limitation period for prosecutions for intellectual property rights offences.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

The offences described above can be committed by corporations and any other legal entity. The maximum fines for corporations are significantly higher than for individuals.

The aiding and abetting offences can only be committed by individuals.

- 2.5 *Does the penal court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

A prosecution of an offence under the *Copyright Act* or the *Trade Marks Act* may be heard in the Federal Court of Australia or in the superior or other courts of the States and Territories of Australia (although the *Trade Marks Act* provides that a prosecution for an offence may not be started in the Federal Court.³ Each of these courts also has jurisdiction to rule on the question of the subsistence or validity of the relevant intellectual property right. However, only the Federal Court has a group of judges who specialise in dealing with intellectual property matters.

If an alleged offender wished to present a positive defence that the relevant intellectual property right is invalid, such a defence would be dealt with by the court in the context of the prosecution proceedings.

- 2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Are the courts which impose penal sanctions also qualified to allocate damages and repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

A person found guilty of any of the offences set out in the *Trade Marks Act* is punishable by a fine of up to A\$55,000 for an individual or A\$275,000 for a corporation and/or (if an individual) imprisonment for a period up to two years.

The other remedies available include the seizure, forfeiture and destruction of infringing goods and any die, block, machine or instrument used in commission of the offence. In seizing any such die, block, machine or instrument, the court may have regard to any hardship that may be caused to any person by the operation of such an order and any other (non-infringing) uses which may be made of the property in question.

Under sections 132(6AA), 132(6AB) and 132(6A) of the *Copyright Act*, the potential penalties are a fine of up to A\$60,500 (A\$93,500 for certain offences) for individuals or A\$302,500 (A\$467,500 for certain offences) for corporations and/or imprisonment for up to five years.

Section 133 of the *Copyright Act* also empowers a court to order that any article in the possession of a person that appears to be an infringing copy or a device or recording equipment used or intended to be used for making infringing copies, be destroyed, or delivered up to the owner of the copyright concerned or otherwise dealt with in such a manner as the court thinks fit.

Regarding unfair competition, the *Trade Practices Act* provides for penalties of up to A\$220,000 for individuals or A\$1.1 million for corporations.⁴

If an infringement of intellectual property rights is prosecuted as an offence, the courts have no power to award damages to the owner of the intellectual property right. However, the courts do have a discretion to order the alleged infringer to deliver up any infringing articles to the owner of the intellectual property rights. This order may be made by the court whether or not the alleged infringer is convicted of an offence. This is to account for the cir-

³ *Trade Marks Act*, section 191(3).

⁴ *Trade Practices Act*, section 75AZC(2).

cumstance where the articles are clearly infringing articles but where the relevant knowledge (or recklessness etc.) on the part of the alleged infringer has not been proven beyond reasonable doubt.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (time of procedure, costs, a number of the litigation in country, etc).

Prosecutions under the *Copyright Act* or the *Trade Marks Act* may be brought by the Commonwealth Director of Public Prosecutions (**DPP**) or as a private prosecution.

Prosecutions under the *Trade Practices Act* may be brought by the DPP, the Australian Competition and Consumer Commission (a government authority) or as a private prosecution.

The DPP acts on referrals from federal, state and territory police. In addition, many cases are referred by industry bodies such as the Australian Film and Video Security Office and Music Industry Piracy Investigations. The police force that has primary legal responsibility for investigation and referral of copyright and trade mark offences is the Australian Federal Police (**AFP**).

Intellectual property rights owners argue that enforcement of copyright or trade mark law is not a big priority for the AFP (and an even lesser priority for the police forces of the states and territories). The AFP list the following factors as influencing whether a matter is accepted for investigation and the priority that is afforded to it:

- (a) the availability of limited resources and competing priorities;
- (b) the level and extent of criminality involved;
- (c) the prospects of an investigation leading to a successful prosecution;
- (d) the likely impact and outcome of police involvement; and
- (e) the availability of alternative means of resolving the matter.

The AFP has stated in relation to copyright offences that it usually only accepts copyright matters where there are clear indications of a high incidence of direct or associated criminality. In other words the AFP concentrates on large scale and organised copyright infringements, in an attempt to make an example of those infringers.⁵

Once the AFP (or anyone else) refers a matter to the DPP, the decision as to whether or not to lay charges in cases of criminal infringement lies with the DPP. This decision is made in accordance with the prosecution policy of the Commonwealth and, in particular, with regard to:

- (a) the likelihood of obtaining a conviction; and
- (b) other (i.e., civil) avenues of redress.

In relation to intellectual property matters, the fact that this area of law is very technical often leads to the first limb being unsatisfied. There are also many practical difficulties involved in prosecuting intellectual property infringers and, in particular, difficulties of evidence. For example, in order to prosecute a copyright offence it is necessary first to prove beyond reasonable doubt that the copyright is owned by the entity alleged in the complaint. Where the owners of such copyright are overseas corporations, direct evidence must be obtained from a person who has knowledge of the creation of the copyright work in question

⁵ AFP submissions to the Parliament of Australia Standing Committee on Legal and Constitutional Affairs, ppS362-363.

or its first publication. Equally, there are frequently practical difficulties in proving chain of title where interests in the copyright have been assigned to different entities within a single corporate group.

The DPP reports that 15 charges under the *Copyright Act* were dealt with in 1999-2000 and four in 1997-1998. Under the *Trade Marks Act* the DPP reports seven charges dealt with in 1999-2000 and three in 1997-1998.

The Commonwealth government is presently examining ways in which the prosecution of criminal offences relating to intellectual property rights can be simplified.

As mentioned above, it is possible to bring a private prosecution seeking criminal sanctions for intellectual property rights infringements. This is a common law right.⁶ The Commonwealth Attorney General's Department reported in 1999 that, to its knowledge, no private prosecutions have been brought to date concerning copyright matters. The author is not aware of any private prosecutions brought since that time. Additionally the author is not aware of any private prosecutions which have been brought under the *Trade Marks Act*.

There are a number of difficulties with the use of private prosecutions. First, intellectual property owners lack access to the investigative machinery of the police forces and must rely instead upon the much more limited capabilities of private investigators.

Secondly, if a prosecution is unsuccessful, the private prosecutor risks an action by the alleged infringer for malicious prosecution.

Thirdly, there is no scope in a criminal prosecution to obtain an injunction to prevent future infringement or to seek damages – the only possible remedies are fines, imprisonment or alternate orders such as community service and delivery up of infringing articles.

Finally, the prosecution is faced with a higher burden of proof (beyond reasonable doubt) than in a civil case (on the balance of probabilities). Furthermore, in copyright cases, the prosecution cannot rely on certain presumptions which are provided for in civil cases regarding the ownership of the copyright works.

Of those cases decided by the courts where the alleged infringer has been convicted, the overwhelming impression from the decisions is a reluctance on the part of the judiciary to impose significant penalties for these offences. This is despite continued restatements by the judiciary that offences against intellectual property rights are viewed very seriously by the courts and the legislature which does empower the court in an appropriate case to impose a term of imprisonment.

The author is aware of only one occasion on which an infringer has been sentenced to a term of imprisonment. In August 2001, a man was convicted of infringing copyright by selling counterfeit CDs. This person had a significant counterfeiting operation and had previously been convicted for fraud. The court imposed a three month jail term.

The vast majority of infringers convicted of an offence are fined a comparatively small sum of money by comparison to the potential sale value of the infringing articles concerned.

For example, in 2000, a man pleaded guilty in the Southport Magistrates Court to four charges in relation to 873 articles of counterfeit clothing, bags and caps that he had in his possession for the purpose of trade at various markets. He was convicted and fined A\$3,000. Also in 2000, a Brisbane man was found guilty of eight counts relating to the making and selling of copyrighted Sony Playstation games and fined A\$3,500. These are typical of the quantum of fines which are awarded by Australian courts.

⁶ See also *Crimes Act* 1914, section 13.

The only exception of which the author is aware was a case concerning pirate copying of video films on a substantial scale over a significant period of time where the evidence indicated a large scale industry, that the infringer systematically copied tapes for commercial profit and had received a specific warning about the illegality of his operation. The total fines imposed were A\$56,900.⁷

However, this is in stark contrast to another, more recent, case where the infringer pleaded guilty to six accounts of breaches under the *Copyright Act* involving 101 infringing copies of computer software (which was representative of a wider course of conduct). Although the defendant had been selling this software for between A\$60 and A\$300 per item, the judge looked favourably upon the defendant because of his cooperation with the authorities, the fact that he pleaded guilty from the outset and had no previous convictions. The infringer's unemployment and inability to pay a substantial fine were also considered by the court which ultimately ordered the infringer to perform 120 hours of community service and to pay a mere A\$500 for the costs of the prosecution rather than imposing a fine.

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

And in particular to indicate if the opinions of these technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

This question relates to matters of patent law in respect of which Australia has no relevant offences.

2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property rights.*

In 1905 when the first Australian Commonwealth copyright legislation was introduced, Senator Keating stated in relation to the offence provisions:

"... the united effect of them [the offence provisions] is; many piracies take place on the part of persons against whom it is useless to proceed for damages or to take out an injunction because to put it in the vernacular, they are not worth powder and shot. Therefore, some summary remedies have to be provided to give author's protection against piracies."⁸

The intention was clearly to provide an effective remedy against a particular class of defendants, those who are impecunious or itinerant.

The same concerns which gave rise to the offence provisions in 1905 remain current today. The experience of Australian practitioners is that a significant number of counterfeiters of copyright or trade mark products in Australia prove extremely difficult to pursue by civil litigation. The difficulty is not in obtaining an injunction but in recovering any significant sum by way of damages or an account of profits and the legal expenses incurred in conducting the litigation.

Damages are notoriously difficult to assess since they depend in part upon an expert determination of the damage which may have been done to the reputation of the proprietor of the copyright or trade mark by the infringing conduct. Such a determination is expensive to obtain and vulnerable to attack on the basis of the many assumptions which must necessarily be made in producing the determination.

To the extent that damages relate to lost sales of products by the owner of the intellectual property right and also in relation to an accounting of profits made by the counterfeiter, there is frequently a very real difficulty in proving the quantities of counterfeits dealt in by the counterfeiter. This is due to conflicting or inadequate evidence (a private investigator

⁷ *Pontello v. Ceselli* 1989 16 IPR 645

⁸ Australia, Senate, *Hansard*, 24 August 1905, p. 1426.

reports seeing large quantities of counterfeits whereas the counterfeiter denies selling such products) and a paucity of documents which would create a paper trail concerning the counterfeits.

Even if a court does award damages or an account of profits together with legal expenses, there is the further difficulty of enforcing such an order.

In light of some of these difficulties, there is indeed a perceived need for penal sanctions for infringements of intellectual property rights including the opportunity for the investigative powers of the police force to be brought to bear in order to obtain appropriate evidence.

It is regrettable that the Courts have not seen fit generally to impose fines or other penalties which really do provide a punishment and deterrent effect for infringement of intellectual property rights and that the legislation does not provide a more streamlined mechanism for the prosecution of offences.⁹

3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

Given the complexity of patent specifications and the difficulties, inadequacies and costs inherent in searching for patent specifications, it will frequently be extremely difficult for a third party to determine whether it is infringing another party's patent rights.

Accordingly, unless an offence is made one of strict liability, it would often be difficult to provide the requisite knowledge, intention or recklessness necessary to give rise to penal liability.

Furthermore, it appears likely that any prosecution for infringement of a patent would frequently be met with a defence that the patent is invalid. For a court to determine this issue would, in all probability, necessitate the involvement of the owner of the patent in the prosecution in order to defend its validity. Furthermore, for a court to determine the validity of a patent in the context of a prosecution is likely very significantly to increase the costs of both the prosecution and the defence. This fact in itself is likely to result in the Director of Public Prosecutions declining to prosecute patent infringement offences in the exercise of its discretion.

The responsibility would fall, then, with the patent owner. As discussed in detail above in relation to other intellectual property offences, there is little incentive for an intellectual property owner to seek to prosecute an offence rather than to commence civil proceedings since important remedies (such as an injunction and damages) are only available in civil proceedings.

3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

As mentioned above, Australian law requires intention or recklessness (ought reasonably to have known) to be proven beyond reasonable doubt in order to obtain a conviction for an offence.

There is no requirement to prove actual dishonesty.

⁹ Examples would include strict liability offences or presumptions as to ownership of copyright material.

There are no presumptions made by Australian courts as to these states of mind or any circumstances in which an offence against the *Copyright Act* or the *Trade Marks Act* is one of strict liability (i.e., state of mind is irrelevant).

However, there are numerous circumstances in which it may be reasonable to infer the requisite state of mind from the nature of the conduct amounting to an infringement. For example, the manufacturing of counterfeit products may be distinguished from the mere sale of such products.

However, even with respect to the sale of such products, there is perhaps scope for examining whether certain offences should be strict liability offences, having regard to the efficient administration of justice.

In many instances, it may well appear plain that the infringer knows or ought to know that s/he has sold counterfeit products. Nevertheless, the requisite mental state (intention or recklessness) may remain difficult, time consuming or expensive to prove. In some circumstances, it may be apparent from the circumstances of the supply to the trader of the products that the goods are or may well be counterfeit. For example, CDs may be packaged in an inferior and low-quality manner, may have been purchased at low cost or may have been purchased from a distributor which is obviously not an authorised distributor of the product. In many cases, the prices for the counterfeit products are an order of magnitude different to the prices charged by the trade mark owner for the genuine product.

Of course, fines and other penalties would necessarily be adjusted for strict liability offences to compensate for the removal of any intentional element (and the unfortunate but inevitable consequence that a small number of traders who are truly innocent will be prosecuted and convicted).

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

In Australia, the same judge has power to rule on both infringement and validity.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

The Commonwealth Director of Public Prosecutions has a discretion to prosecute offences against the intellectual property statutes, as described in detail above. This does not preclude the owner of a relevant intellectual property right bringing a private prosecution.

If a private prosecution is commenced, it is open to the prosecutor to resolve the matter by settlement prior to the trial of the proceeding.

Regarding evidentiary matters as between civil and criminal proceedings, there is a difficulty to the treatment of intellectual property infringements as criminal offences which relates to the ability to commence simultaneous actions under the civil and criminal law. It is possible to seek an account of profits from the defendant in one action and then punish the same person by fine or imprisonment for the same infringement. The result is tantamount to double jeopardy, specifically "autrefois convict".

It is natural in simultaneous actions that there should be some overlap in the evidence sought. This is particularly the case where Anton Pillar orders may have performed not only the function of a search warrant but also compelled a defendant to give answers by way of discovery which amount to self-incrimination.

The privilege against self-incrimination is firmly fixed in Australian law and is available in civil matters in certain circumstances where there is a reasonable prospect of a prosecution being launched. On the other hand, the upholding of a claim of privilege in a civil case may have a drastic effect on the ability of the intellectual property rights owner to obtain the remedies to which he or she is entitled at law.

This concern has led Australian courts to make orders such that any evidence obtained cannot be used in criminal proceedings.¹⁰ This would not necessarily bind prosecuting authorities nor prevent them from seeking other information based on what was discovered by the orders.¹¹

Summary

Australian trade mark and copyright law complies with the provisions of Article 61 of the TRIPS Treaty. Certain offences are also provided for breaches of plant breeder's rights and in respect of unfair competition. Every element of an offence must be proven beyond reasonable doubt, including knowledge or recklessness as to the infringement. This obligation causes significant difficulties in prosecution. The possible remedies are fines, imprisonment and delivery up of infringing articles. An injunction and damages are not available in penal prosecutions. The maximum possible fines for offences are very significant (a jail term is possible) and are much higher for corporations than for individuals. However, Australian courts have generally been reluctant to impose anything more than small fines. Private prosecutions may be brought by the victims of counterfeiting and evidence from penal proceedings may be used in civil proceedings subject to issues of double jeopardy. Barriers to effective prosecution could be removed by a mechanism including presumptions concerning ownership of intellectual property rights and drawing inferences concerning the state of mind of alleged infringers. It is not advisable to extend penal sanctions to infringements of patents.

Résumé

Les lois australiennes sur les marques de fabrique et le droit d'auteur sont conformes aux dispositions de l'article 61 du Traité ADPIC. Certains délits sont également prévus pour les violations des droits du sélectionneur et au titre de la concurrence déloyale. Chaque élément d'un délit doit être prouvé sans aucun doute possible, y compris la connaissance ou l'imprudence en ce qui concerne l'infraction. Cette obligation causes d'importantes difficultés en matière de poursuites. Les réparations possibles sont les amendes, l'emprisonnement et la restitutions des objets contrefaits. Une injonction et des dommages-intérêts ne sont pas disponibles dans les poursuites pénales. Les amendes maximales possibles pour les délits sont très importantes (une peine de prison est possible) et sont beaucoup plus élevées pour les sociétés que pour les particuliers. Toutefois, les tribunaux australiens ont généralement été peu disposés à imposer des amendes autres que légères. Les victimes de contrefaçon peuvent engager des poursuites privées et les preuves provenant de poursuites pénales peuvent être utilisées dans les poursuites civiles sous réserve de *non bis in idem*. Les obstacles à des poursuites efficaces pourraient être supprimés par une procédure comprenant des présomptions concernant l'appartenance des droits de propriété intellectuelle et la formulation de conclusions concernant l'état mental des contrefacteurs présumés. Il n'est pas conseillé d'étendre les sanctions pénales aux infractions de brevets.

Zusammenfassung

Die australische Gesetzgebung über Patent- und Urheberrechte entspricht Artikel 61 des TRIPS-Abkommens. Gewisse Vergehen sind auch für Verstöße gegen die Pflanzenzüchterrechte und in

¹⁰ See, for example, *Warman International Ltd v. Envirotech (Aust) Pty Ltd* (1986) 56 ALR 253.

¹¹ See *Rank Film Distributors Ltd v. Video Information Centre* [1982] AC 380.

Bezug auf unlauteren Wettbewerb vorgesehen. Jeder Umstand eines Vergehens muss über alle berechtigten Zweifel hinaus bewiesen sein, einschließlich von Wissen über, oder grobe Fahrlässigkeit bezüglich der Rechtsübertretung. Diese Verpflichtung führt bei der Anklageerhebung zu erheblichen Schwierigkeiten. Die möglichen Rechtsmittel sind Bußgelder, Gefängnisstrafen und Aushändigung der rechtsverletzenden Artikel. Eine gerichtliche Verfügung und Schadloshaltung sind bei strafrechtlichen Verfolgungen nicht gültig. Die Höchststrafen für Vergehen sind sehr erheblich (eine Gefängnisstrafe ist möglich), und wesentlich höher für Unternehmen als für Privatpersonen. Im Allgemeinen zeigen sich australische Gerichte jedoch mit der Verhängung von anderen als geringen Bußgeldern zurückhaltend. Private Anklagen können von Fälschungsoffern erhoben werden, und Beweismaterial aus Strafverfahren kann in Zivilverfahren, in Abhängigkeit von Fragen abermaliger Strafverfolgung wegen derselben Strafe, verwendet werden. Die Hindernisse einer wirkungsvollen Strafverfolgung könnten durch einen Mechanismus, einschließlich von Annahmen bezüglich des Besitzes geistiger Eigentumsrechte und Schlussfolgerungen über die Geistesverfassung von angeblichen Rechtsverletzern, beseitigt werden. Es ist nicht zu empfehlen, strafrechtliche Maßnahmen auf Patentverletzungen auszuweiten.

Rapport Q169

au nom du Groupe belge
par Brigitte DAUWE (Présidente), Jean-Cyril VELDEKENS, Xavier VERMANDELE

Les sanctions pénales relatives à la violation des droits de propriété intellectuelle

Synthèse

En Belgique, c'est essentiellement en droit des marques et dans le domaine des droits d'auteur que résident les possibilités d'actions pénales.

Si, en droit des marques, l'action pénale, exercée par le Ministère Public, est soumise au dépôt préalable d'une plainte par le titulaire de la marque contrefaite - ce que le Groupe belge déplore, dès lors que l'action pénale a pour finalité l'intérêt général et ne peut donc être dépendante de la volonté du titulaire de la marque contrefaite -, une telle plainte préalable n'est pas requise dans le domaine des droits d'auteur.

L'action pénale, pour aboutir, suppose que soit prouvé l'élément intentionnel du délit de contrefaçon. La charge de la preuve appartient donc au Ministère Public, mais le titulaire du droit contribue en pratique à apporter ces éléments de preuve.

Le juge pénal peut connaître de la question de la validité du droit de propriété intellectuelle dont la violation est alléguée. Le cas échéant, il peut désigner un ou des experts pour l'éclairer sur ces points, sans que les rapports d'expertise ne lient le juge pénal.

Le juge pénal peut également accorder, comme le juge civil, une indemnisation à la victime de la contrefaçon qui s'est constituée partie civile.

Les personnes morales encourent également, en droit belge, des sanctions pénales.

Le Groupe belge estime justifié l'existence de sanctions pénales pour des actes de contrefaçon, étant donné l'atteinte à l'intérêt général que ces actes peuvent constituer.

Le Groupe belge manifeste cependant sa préoccupation quant au fait que les juges pénaux amenés à connaître de ces questions de contrefaçon ne sont pas spécialisés en droit de la propriété intellectuelle.

Report Q169

in the name of the Brazilian Group
by José Antonio B.L. FARIA CORREA, President, Esther M. FLESCHE, General Reporter,
Lélio D. SCHMIDT, Assistant Reporter, Otto B. LICKS, Chairperson - Infringement Committee,
Paulo Parente MARQUES MENDES, Vice Chairperson - Infringement Committee,
José Henrique VASI WERNER, Secretary *ad hoc* – Infringement Committee

Criminal law sanctions with regard to the infringement of intellectual property rights

2. Substantive law

The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

The Brazilian Intellectual Property legal system is basically composed by a Copyright Law (Law n. 9,610 of February 19, 1998), a Software Law (Law n. 9,609 of February 19, 1998), an Industrial Property Law (Law n. 9,279 of May 14th, 1996), a Consumer Law (Law n. 8,078, of September 11, 1990) and another separate law to regulate rights and obligations relating to corporate names (Law n. 8,934 of November 18, 1994).

However, the criminal provisions related to these laws are not necessarily encompassed in each of them. Crimes against copyrights are embodied in the Brazilian Criminal Code (Decree Law n. 2,848 of December 7, 1940). On the other hand, the Industrial Property Law foresees the crimes against patents, industrial designs, trademarks, geographic indications and the crimes of unfair competition (in which is included, among others, a modality of crime against corporate names). Crimes against softwares are included in the Software Law. The specific sections, as well as a brief description of each provision are as follows:

- Patents

Patent infringement is a crime as foreseen in the Industrial Property Law (articles 183 to 186). The various crimes are:

- a) to manufacture a product which is patented, without the authorization of the patent owner;
- b) to use a patented process without the authorization of the patent owner;
- c) to export, sell, exhibit or offer for sale, keep in stock, conceal or receive, with an economic purpose, a product which is a patent infringement;
- d) to import a patented product without the owner's consent, for the purpose mentioned in item "c" above, provided that the product was not placed on the local market by the patent owner or with his consent;
- e) to supply a component of a patented invention, provided that the final application of this component necessarily leads to the exploitation of the subject-matter of the patent.

The criminal remedies available are:

- search and seizure;
- criminal complaint;
- imprisonment of the infringers (the period is not equal for all acts and may vary from one month to one year); and
- fines.

- Industrial Designs

Infringements of the industrial designs registrations are crimes as stated on articles 187 and 188 of the Industrial Property Law. These crimes are:

- a) to manufacture, without the authorization of the owner of the registration, a product that incorporates an industrial design registration, or a substantial imitation of it that may lead consumers to error or confusion;
- b) to export, sell, exhibit, with an economic purpose, an object that illegally incorporates an industrial design registration or a substantial imitation that may lead consumers to error or confusion;
- c) to import a product, for the purpose mentioned in item "b" above, that incorporates a Brazilian industrial design registration or a substantial imitation that may lead consumers to error or confusion, which were not placed on the local market directly by the owner of the registration or with his consent.

The remedies available for patent infringement (above listed) also apply for the industrial design violations. Imprisonment may vary from 1 (one) month to 1 (one) year. Destruction of seized goods is also available.

- Geographic Indications

Infringements of geographic indications are crimes as foreseen on articles 192 and 193 of the Industrial Property Law:

- a) to manufacture, import, export, sell, exhibit or offer for sale or keep in stock a product that presents a false geographical indication;
- b) to use indicative terms - on a product, container, casing, belt, label, invoice, circular, poster or on any other means of disclosure or advertisement - such as "type", "species", "kind", "system", "similar", "substitute", "identical", or the equivalent, without making clear the true source of the product;

The available remedies are the same described above. Imprisonment may vary from 1 (one) to 3 (three) months.

- Trademarks

Infringement of a trademark registration is a criminal offence (articles 189 and 190 of the Industrial Property Law). These crimes are:

- a) to reproduce a trademark registration in whole or in part, without the authorization of the trademark registration holder; or to imitate the registered trademark in a manner that induces confusion;
- b) to change a third party's trademark which identifies the product and then placing it on the market;
- c) to import, export, sell, offer or exhibit for sale, conceal or keep in stock:
 - i) a product branded with a trademark illegally reproduces or imitated, in whole or in part; or
 - ii) a product held in a container or package carrying a legitimate mark of a third party.

The remedies available are the very same for patent and industrial design infringements (listed above). Imprisonment may vary from 1 (one) month to 1 (one) year.

- Unfair Competition

Acts of unfair competition are defined in the Brazilian Industrial Property Law (article 195) as criminal acts, which may be prosecuted before the criminal courts. The following acts of unfair competition allow criminal procedures:

- a) to publish, by any means, a false affirmation which is detrimental to a competitor, with a view to obtaining advantage over that competitor;
- b) to provide or divulge false information about a competitor, with a view to obtaining competitive advantage;
- c) to use fraudulent means to divert, for his own or a third party's benefit, a competitor's clientele;
- d) to use or imitate a competitor's advertising expression or sign, to cause confusion between the products or establishments concerned;
- e) to use a competitor's business name, corporate name or insignia, or sell, exhibit, offer for sale or keep in stock a product with such references;
- f) to substitute in a product the competitor's trade name by his own name, without the manufacturer's consent;
- g) to claim, in advertising, a false qualification that a person has not obtained;
- h) to sell, exhibit or offer for sale an adulterated or falsified product, with the competitor's package;
- i) to give or promise money or other advantage to a competitor's employee, to induce such employee to provide the giver with an advantage, through failure in his labour duties;
- j) to receive money or other utility, or accept a promise of payment or reward, to fail in the labour duties and provide a competitor with an advantage;
- k) to sell, exhibit, offer to sale or market a product which is presented as the subject of a filed or granted patent or a registered industrial design, when it is not.

Within the Industrial Property Law, infringement of trade secrets (also understood as unfair competition acts) comprises the disclosure, exploitation or use without authorization of:

- a) confidential knowledge, information or data, usable in industry, commerce or the service market (excepting the information which is of public knowledge or which is obvious to a person skilled in the art), to which he has had access by means of a contractual or employment relationship, even after the termination of such relationships;
- b) knowledge or information as mentioned in the previous item, when obtained by illicit means or fraud;
- c) the results of tests or other undisclosed data, whose elaboration involved considerable effort and was presented to government entities as a condition for the approval of the product sales.

Remedies against trademark infringements and acts of unfair competition included search and seizure, criminal complaint and usual remedies already mentioned (patent infringement). Imprisonment may vary from 3 (three) months to 1 (one) year.

- Software

The following acts are described as crimes (article 12 of the Software Law):

- a) to violate a software;
- b) to reproduce, by any means, a software, in whole or in part, with profit intention, without the author's or his representative's consent;
- c) to sell, exhibit for sale, import, rent, buy, hire, keep in stock, with profit intention, an original or a copy of a software produced with a software violation.

The available remedies are the same already described above. Imprisonment may vary from 6 (six) months to 4 (four) years.

- Copyright

The following acts are described as crimes (section 184 of the Brazilian Penal Code):

- a) to violate a copyright;
- b) to reproduce an intellectual work, phonogram or video, by any means, with profit intentions, without the author's or the producer's authorization;
- c) to sell, exhibit for sale, import, rent, buy, hire, lend, exchange or stock, with profit intention, an original or a copy of an intellectual work, phonogram or video, without the author's or the producer's consent.

The available remedies are the same already described above. Since some of such acts are prosecuted by public criminal lawsuit, police inquests are also possible to investigate them. Imprisonment may vary from 1 (one) to 4 (four) years.

2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Article 61 of the TRIPS Treaty states the following:

Article 61:

“Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements, which had been used to commit the offence. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular whenever they are committed wilfully and on a commercial scale”.

Concerning Brazilian legal system, the rules of any IP treaty signed by the President and approved by the Congress (such as TRIPS) can be invoked by any national or resident foreigner. Such rules are directly enforceable, without the need of being endorsed and ratified by a subsequent national law.

In spite of this, criminal provisions stated in the Brazilian Intellectual Property Legislation are clearly in line with the provisions stated on article 61 of the TRIPS Treaty. Sanctions of imprisonment and fine required by the mentioned provision are incorporated in the Brazilian Criminal Code (whereby the criminal provisions related to copyrights are stated), in the Software Law (Law 9,609/98) and in the Industrial Property Law (Law 9,279/96). Types and intensity of sanctions are applied in accordance with the seriousness of the crime committed.

Furthermore, the seizure of the infringing goods, their loss and their destruction are also incorporated in the criminal provisions stated in the Brazilian Intellectual Property Legislation. The criminal provisions also allow the seizure, loss and destruction of materials, accessories, pieces, parts and components related to the intellectual property infringement.

However, many criminal judges allow the seizure of only few products, just to have the technical examination about the counterfeiting. Such behaviour harms the TRIPS provisions, since this partial seizure does not intend to avoid that the counterfeited goods be placed in the market.

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

Brazilian Intellectual Property Legislation also provides penal sanctions against infringements of software, patent, utility model, industrial designs, geographic indications, unfair competition and infringement of trade names.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

And in particular, does this penal liability require a special intentional element?

Who has the burden of proof of this intentional element?

Is this special intentional element supposed or must it be proven positively?

The intentional element is required for all intellectual property crimes. The plaintiff has to argue and positively prove it during the criminal action, since the burden of proof is his.

The intentional element may be evidenced if the ® symbol (meaning registered trademark) is displayed in the product. The receipt of a cease and desist letter by the infringer (before the search and seizure) is another acceptable evidence of the wilful intentional element which is needed for penal liability.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

The criminal liability is independent with respect to the civil liability. Not necessarily all civil torts stated by the civil law will correspond to a criminal tort. An action which is considered as a civil infringement is not necessarily considered a crime. Section 209 of Brazilian IP Law rules that infringers are liable, at a civil court, for any act of unfair competition not defined by the penal sections.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

The statute of limitation for the criminal liability is not the same as the statute of limitation for the civil liability. On the criminal sphere, the statute of limitation may vary from 2 (two) to 8 (eight) years and on the civil sphere it may vary from 5 (five) to 20 (twenty) years, depending on the kind of (i) the infringed right, (ii) the complaint presented by the plaintiff and/or (iii) the concrete sanction fixed by the judge.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

Under the Brazilian criminal system, moral persons are not subject to prosecutions under the criminal law. Only their legal representatives have criminal liability. There are few exceptions allowing the punishment of moral persons in the criminal sphere, such as the environmental crimes. The Brazilian law writers are, however, submitting this issue to an ardent discussion, which may appoint to another understanding in the near future.

2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

Article 205 of the Industrial Property Law sets forth that an allegation of nullity of a patent or a registration which is the cause of action may constitute matter of defence in a criminal action.

"Article 205 - An allegation of nullity of the patent or registration which is the cause of action may constitute a matter of defence in a criminal lawsuit. The acquittal of the defendant, however, will not mean the proper nullity of the patent or registration, which can only be requested in an action before the competent courts".

If the criminal judge recognizes the invalidity of a patent or a registration, such decision only reaches the parties involved in the specific criminal action (the plaintiff and the defendant that challenged the validity of the intellectual property right). The recognition of the invalidity

of the IP right, by the criminal judge, will not generate *erga omnes* effects (effects against the whole community). To obtain *erga omnes* effects, the defendant will be required to file a nullity action before the Federal Court, involving also the BPTO.

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

The criminal judge is empowered to render a decision on the criminal action (in which the validity of an intellectual property right was raised) before the specific nullity action is adjudicated by the civil court, as long as the criminal liability is independent of the civil liability.

However, depending on the situation involved, the criminal judge may order a stay in the criminal procedure and await the civil decision regarding the validity of the intellectual property right.

- 2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

The sanctions are stated on number 2 above.

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

The criminal courts may not convict the defendant to repair the damages caused by the crime against an intellectual property right. The fine is the sole monetary penalty against the infringer, but it is paid to the Government and not to the offended party (owner of the intellectual property right violated). Besides, the value of the fines imposed by the criminal courts is not enough to compel infringers to cease the illegal activity. The Brazilian Association of Intellectual Property has sent to lawmakers some suggestions to change this scenario.

- 2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

A preliminary search and seizure procedure may be requested by the offended party, whenever the violation refers to trademarks, patents, utility models, industrial designs, geographic indications, unfair competition, trade name and some copyright infringement (the later is submitted, in some cases, to public lawsuits, which the offended party is not entitled to file).

An expert will be nominated to present a technical report on the counterfeiting or unfair competition. If such technical evidence confirms the facts described as crime, the offended party has a 30-day term to present the criminal complaint in order to start the private criminal action. Such term starts to run after the technical report is accepted and validated by the judge (the major case-law also requires that the offended party be served of such validation).

The police inquest is an administrative procedure that may be requested by the owner of a copyright for the same reasons stated before. The seizure of the products is not limited to samples but to the whole illegal production. It may be also applied in cases in which any distinctive elements of a public agency, national or international government are violated.

The House of Representatives has approved a project of law (nr. 333/99, which is now being examined by the Federal Senate) allowing the use of police inquests for the prosecution

of all the other IP crimes, not limited to copyright cases.

The private criminal action is filed by the offended party (owner of the intellectual property right violated). The offended party is the Plaintiff of the criminal action and has the prerogative to decide whether the criminal action should be filed. This type of criminal action is applied on cases of crimes against patents, utility models, industrial designs, trademarks, geographic indications, unfair competition, trade names and some copyright infringement. The Public Prosecutor is only responsible for the supervision of the criminal action.

The public criminal action is filed by the Public Prosecutor when a public interest is involved due to a crime against an intellectual property right. In this case, the Public Prosecutor is the Plaintiff of the criminal action and is obliged to initiate the criminal procedure. This type of criminal action is only applied on cases of some crimes against copyrights or in cases in which any distinctive element of a public agency, national or international government is violated. The offended party may assist the prosecution.

When the Public Prosecutor refrains from initiating the public criminal action without any consistent reason, the offended party has the right to file a subsidiary private criminal action. However, this kind of subsidiary action is not allowed whenever the police inquest is shelved by the Judge.

As stated in item number 2.2, the Plaintiff has the burden of proof regarding the intentional element.

Agreements are only possible under private criminal actions. The offended party does not have the right to settle the case with an agreement if the action is of public initiative, as long as in these cases the Plaintiff is the own Public Prosecutor.

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

Police inquests may take approximately one year. The criminal preliminary procedure for search and seizure takes approximately six months. Criminal action may vary from two to three years.

The Court costs involved may vary from US\$ 500.00 to US\$ 1,000.00. The costs regarding experts' fees may vary from US\$ 1,500.00 to US\$ 4,000.00. The number of cases is not available.

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

In the previous search and seizure proceeding, the technical experts have to analyse the evidences of the crime committed and present a report about the related aspects. Such report will be the grounds of the charges described in the subsequent criminal complaint.

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

The conclusions of the technical experts can be used to show that the right is not valid. However, the experts may only analyse the facts involved in the case. Only the judge is empowered to recognize and declare the validity or invalidity of a right.

Since the patent or registration is granted by an administrative act, it is presumed to be valid. The infringer has the burden to prove the nullity. However, it is a penal tradition that doubts must be solved in favour of the defendant. Thus, if the validity of the IP right is not clear, such doubt can be taken in consideration to assess the intentional element needed to establish the criminal offence.

- 2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

Penal sanctions are very important. All legal systems should have criminal provisions with respect to all intellectual property rights as a supplementary remedy to be adopted against the infringer.

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonisation at the international level.

The Brazilian House of Representatives has approved a project of law (nr. 333/99) increasing penalties for counterfeiting crimes. Such increase has positive effects, since it works as a deterrent and enlarges the statute of limitations.

The offended party must be awarded punitive damages, which payment should end penal liability. Damages paid by the infringer must be higher than the royalties paid by a regular licensee.

Moral persons can only be criminally liable if the penalties have an economic nature. However, the liability of moral persons should not suppress the liability of the natural persons (its partners), which is a strong tool to lead infringers to an agreement.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

The Brazilian legislation already provides penal sanctions to all the intellectual property rights (including patents) and it is the opinion of the group that they should be maintained and that all countries should have it.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

The intentional element is needed for penal liability. Unconscious violations (without the wilful element) must lead only to civil liability.

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

See item 2.2 above. The intentional element should be positively proven. Such evidence may consist in the receipt of a cease and desist letter, the use of the ® symbol in the trademark that was reproduced or imitated without consent, the notoriety of the trademark, the level of reproduction or imitation etc...

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

See item 2.5 above. The Judge of the criminal court should be entitled to incidentally recognize the invalidity of an intellectual property right, since the course of the criminal action (which is processed by the State court) is totally dissonant to the nullity action (processed by the Federal court). In fact, the nullity action may last about 10 years, this being the reason why the suspension of the criminal action during this complete period is unacceptable and not advisable.

In the resolution regarding question 134 B, the AIPPI has already resolved that: "1. a court which is called upon to determine infringement of a patent or a trade mark should also be able to adjudicate upon validity, at least inter partes, to ensure that the validity and scope of the right are consistently construed".

3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

The victim of the counterfeiting may not shelve public criminal actions. The defendant's authorization (presumed in an agreement) is needed to shelve private criminal actions.

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

This possibility is already available under the Brazilian Intellectual Property legal system.

4. **Various**

The groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.

Indeed, taking into account the pioneer character of the question, the AIPPI wishes to profit from the experience of the national groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

See topic 3 above.

Report Q169

In the name of the Bulgarian Group

Criminal law sanctions with regard to the infringement of intellectual property rights

2. Substantive law

2.1 The Bulgarian Criminal Code has introduced criminal procedures and penalties to be applied in cases of copyright infringement and unauthorized use of other's trade marks, industrial designs and topology of integrated circuits.

Art. 172a of the Criminal Code criminalizes the following deeds as crimes against intellectual property:

- 1) Recording, reproducing, distributing, broadcasting or transmitting with technical means or using in other way other's object of science, literature or art without the required by the law consent of the holder of the copyright
- 2) Recording, reproducing, distributing, broadcasting or transmitting with technical means or using in other way of sound record, video record or radio program, TV program, software or computer program without the required by the law consent of the holder of the respective right

Art. 227 criminalizes the following deeds as general economic crimes:

- 1) Use in commercial activities of a mark, industrial design or topology of integrated circuits

The Law does not provide for criminal sanctions in cases of violation of other IP rights, except for the above mentioned, including for patents, utility models, geographical indications, unfair competition.

2.2 A deed is declared a crime only by the Criminal Code. The conditions of the penal liability for the acts for infringement of the intellectual property rights do not differ from the other criminal acts. No special intentional element is required. The deed shall be performed intentionally.

The burden to prove the guilt is on the public prosecutor.

2.3 The Criminal Code cannot be interpreted broadly, and the person is responsibly only for the performed acts, which are envisaged as crimes. The civil laws provide for certain other cases when infringement is performed, and which are not criminalized.

It is possible to engage both civil procedures and criminal procedures actions, but not in the same court proceedings. The criminal procedures are held before the Regional courts in the region of which the infringement was performed. The civil procedures are held before the Sofia City Court.

The terms of limitation of the criminal acts for copyright and marks, ID, TIC, is five years under the Criminal Code. The general term under the Civil laws is five years as well.

- 2.4 The penal liability in Bulgaria is personal. Only natural persons are liable for criminal acts. No criminal liability is envisaged for acts of unfair competition.
- 2.5 The penal courts do not have the capacity to rule on invalidity of intellectual property rights. The procedures start before the Patent Office, the decision of which could be appealed before the Sofia City Court. No stay of the criminal proceedings is possible on the basis of attacking the copyrights or trademarks, ID or TIC rights.
- 2.6 The sanction for copyrights criminal deeds is imprisonment up to three years and fine from 1000,00 - 3000,00 levas. If the deed is performed again or substantial harmful consequences have occurred the imprisonment is up to five years and the fine is from 3000,00 to 5000,00 levas. For the criminal use of other's marks, ID or TIC the imprisonment is up to three years, and the fine is up to 5000,00 levas.

The courts, which impose penal sanctions, may consider civil claims for damages, unless there are pending procedures before the Civil Court. The claim for damages shall be filed before the beginning of the proceedings before the court.

- 2.7 No public information is available on the number of criminal cases in Bulgaria. The court decisions are not published in Bulgaria, except for some of the decisions of the Supreme Court of Cassation. There is not much practice on criminal procedures on IP rights.

3. Proposals for solutions for the future

- 3.1 The Bulgarian National Group is of the opinion that penal sanctions for violation of patent rights will be difficult to apply in practice, and are not advisable. The fact of infringement, the intentional element will be difficult to prove. The patent infringements are usually done by legal persons, which are not criminally responsible in Bulgaria. The Bulgarian National Group is of the opinion that that the acts of unfair competition shall be criminalized.
- 3.2 The proof for the intentional character cannot result from the nature of the infringement it has to be proved positively by the public prosecutor.
- 3.3 The validity of the IP rights shall be proved before the civil courts, but the possibility to stop the criminal procedures until a final decision on the validity is taken shall be envisaged.
- 3.4 A settlement is possible under the Bulgarian Criminal Law at the moment. It shall be concluded between the public prosecutor, the victim, the person charged with criminal acts. The settlement shall be approved by the court. The victim cannot be a master of the criminal proceedings.

Report Q169

in the name of the Canadian Group
by Donald H. MacODRUM, Chair

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

1. Introduction:

The aim of the present question is to provide to the members of Association the complete presentation of the state of the substantive law in each country from which the AIPPI groups belong.

And this information should relate at the same time on the applicable legal rules and the legal practice.

The groups will also have to indicate which are the changes that they would wish to bring to their legislation on the basis of practical application of their legal rules;

The study relates to the whole range of the Intellectual property rights and in particular: trademarks, patents, drawings and models, copyright, unfair competition and certificates of vegetable obtaining (patents of plants).

2. Substantive law:

The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

Patents

There are no criminal law sanctions in Canada for patent infringement.

Registered Industrial Designs

There are no criminal law sanctions in Canada for infringement of the rights granted by registration of an industrial design under the *Industrial Design Act*.

Integrated Circuit Topography

There are no criminal law sanctions in Canada for infringement of the rights granted by registration of an integrated circuit topography (or mask work) under the *Integrated Circuit Topography Act*.

Copyright

There are criminal remedies available for certain offences related to the infringement of copyright. Sections 42 and 43 of the *Copyright Act* provide:

42.(1) Every person who knowingly

- (a) makes for sale or rental an infringing copy of a work or other subject-matter in which copyright subsists,
- (b) sells or rents out, or by way of trade exposes or offers for sale or rental, an infringing copy of a work or other subject-matter in which copyright subsists,

- (c) distributes infringing copies of a work or other subject-matter in which copyright subsists, either for the purpose of trade or to such an extent as to affect prejudicially the owner of the copyright,
 - (d) by way of trade exhibits in public an infringing copy of a work or other subject-matter in which copyright subsists, or
 - (e) imports for sale or rental into Canada any infringing copy of a work or other subject-matter in which copyright subsists is guilty of an offence and liable
 - (f) on summary conviction, to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding six months or to both, or
 - (g) on conviction on indictment, to a fine not exceeding one million dollars or to imprisonment for a term not exceeding five years or to both.
- (2) Every person who knowingly
- (a) makes or possesses any plate that is specifically designed or adapted for the purpose of making infringing copies of any work or other subject-matter in which copyright subsists, or
 - (b) for private profit causes to be performed in public, without the consent of the owner of the copyright, any work or other subject-matter in which copyright subsists is guilty of an offence and liable
 - (c) on summary conviction, to a fine not exceeding twenty-five thousand dollars or to imprisonment for a term not exceeding six months or to both, or
 - (d) on conviction on indictment, to a fine not exceeding one million dollars or to imprisonment for a term not exceeding five years or to both.
- (3) The court before which any proceedings under this section are taken may, on conviction, order that all copies of the work or other subject-matter that appear to it to be infringing copies, or all plates in the possession of the offender predominantly used for making infringing copies, be destroyed or delivered up to the owner of the copyright or otherwise dealt with as the court may think fit.
- (4) Proceedings by summary conviction in respect of an offence under this section may be instituted at any time within, but not later than, two years after the time when the offence was committed.
- (5) No person may be prosecuted under this section for importing a book or dealing with an imported book in the manner described in section 27.1.
- 43.(1) Any person who, without the written consent of the owner of the copyright or of the legal representative of the owner, knowingly performs or causes to be performed in public and for private profit the whole or any part, constituting an infringement, of any dramatic or operatic work or musical composition in which copyright subsists in Canada is guilty of an offence and liable on summary conviction to a fine not exceeding two hundred and fifty dollars and, in the case of a second or subsequent offence, either to that fine or to imprisonment for a term not exceeding two months or to both.
- (2) Any person who makes or causes to be made any change in or suppression of the title, or the name of the author, of any dramatic or operatic work or musical composition in which copyright subsists in Canada, or who makes or causes to be made any change in the work or composition itself without the written consent of the author or of his legal representative, in order that the work or composition may be performed in whole or in part in public for private profit, is guilty of an offence and liable on summary conviction to a fine not exceeding five hundred dollars and, in the case of a second or subsequent offence, either to that fine or to imprisonment for a term not exceeding four months or to both.

Trade Marks

The Canadian *Criminal Code*, a federal statute, provides a criminal remedy for forgery of a trade mark and other offences relating to trade marks in sections 406 to 412 as follows:

406. For the purposes of this Part, every one forges a trade-mark who
- (a) without the consent of the proprietor of the trade-mark, makes or reproduces in any manner that trade-mark or a mark so nearly resembling it as to be calculated to deceive; or
 - (b) falsifies, in any manner, a genuine trade-mark.
407. Every one commits an offence who, with intent to deceive or defraud the public or any person, whether ascertained or not, forges a trade-mark.
408. Every one commits an offence who, with intent to deceive or defraud the public or any person, whether ascertained or not,
- (a) passes off other wares or services as and for those ordered or required; or
 - (b) makes use, in association with wares or services, of any description that is false in a material respect regarding
 - (i) the kind, quality, quantity or composition,
 - (ii) the geographical origin, or
 - (iii) the mode of the manufacture, production or performance of those wares or services.
- 409.(1) Every one commits an offence who makes, has in his possession or disposes of a die, block, machine or other instrument designed or intended to be used in forging a trade-mark.
- (2) No person shall be convicted of an offence under this section where he proves that he acted in good faith in the ordinary course of his business or employment.
410. Every one commits an offence who, with intent to deceive or defraud,
- (a) defaces, conceals or removes a trade-mark or the name of another person from anything without the consent of that other person; or
 - (b) being a manufacturer, dealer, trader or bottler, fills any bottle or siphon that bears the trade-mark or name of another person, without the consent of that other person, with a beverage, milk, by-product of milk or other liquid commodity for the purpose of sale or traffic.
411. Every one commits an offence who sells, exposes or has in his possession for sale, or advertises for sale, goods that have been used, reconditioned or remade and that bear the trade-mark or the trade-name of another person, without making full disclosure that the goods have been reconditioned, rebuilt or remade for sale and that they are not then in the condition in which they were originally made or produced.
- 412.(1) Every one who commits an offence under section 407, 408, 409, 410 or 411 is guilty of
- (a) an indictable offence and is liable to imprisonment for a term not exceeding two years; or
 - (b) an offence punishable on summary conviction.

- (2) Anything by means of or in relation to which a person commits an offence under section 407, 408, 409, 410 or 411 is, unless the court otherwise orders, forfeited on the conviction of that person for that offence.

Misuse of confidential Information

In a 1988 decision, *R. v. Stewart* [1988] 1 S.C.R. 963 (S.C.C.), the Supreme Court of Canada held that confidential information is not property and that taking confidential information does not constitute the criminal offence of theft as described in s. 322(1) of the *Criminal Code*. However, *R. v. Stewart* also left open the possibility of a conviction for theft if tangible property containing confidential information was stolen.

Computer Data

There are specific *Criminal Code* provisions with respect to computers and computer data:

- s. 342.1 - unauthorized obtaining of a computer service or use or interference with a computer system.
- s. 342.2 - manufacture, distribution or possession of a device for committing an offence under s. 342.1.
- s. 430 - mischief includes a specific provision (s. 430(1.1)) with respect to the wilful destruction or alteration of data or the interruption or interference with the lawful use of data.

Breach of an Injunction

Criminal sanctions are available if an injunction granted by the court is breached, whether it is an interlocutory injunction or final injunction, and whether the injunction is granted to restrain infringement of a patent, industrial design, copyright or registered trade mark or other breach of intellectual property rights such as passing off or misuse of confidential information. This is viewed as contempt of court.

- 2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Yes.

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

Generally no, see above.

- 2.2. *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

And in particular, does this penal liability require a special intentional element?

Who has the burden of proof of this intentional element?

Is this special intentional element supposed or must it be proven positively?

The conditions for penal liability are set out in the statutes above.

Sections 42 and 43(1) of the *Copyright Act* require that the infringing acts be done 'knowingly'. Sections 407, 408 and 410 of the *Criminal Code* require an 'intent to deceive'. These are elements of the offence which must be proved by the prosecutor.

Section 43(2) does not expressly require that the act be done knowingly, but that seems to be implied since the act must be done in order that the work be done for profit. The burden would be on the prosecutor, but in any event good faith could be proved by the person accused of the offence.

Section 409 of the *Criminal Code* does not expressly require proof of intent to deceive, but provides a defense of good faith. In this case, the burden of proof of good faith is on the person accused of the offence

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

As noted above, the penal sections generally require knowing conduct or intent to deceive. For civil infringement it is not necessary to prove infringing or knowing infringement or intent to deceive (although this may be shown in particular cases).

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

The acts of counterfeiting which give rise to penal sanctions may also give rise to civil liability.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

The limitation periods are not the same for civil and criminal remedies.

For example, in the case of a civil action copyright infringement, there is a limitation period of three years from the later of the date of infringement and the date at which the plaintiff knew or could reasonably be expected to know of the infringement: *Copyright Act* s.41. For the penal sanctions the limitation period depends upon the manner in which the charge is laid which usually is dependent on the seriousness of the offence. If the proceedings are dealt with as a summary conviction proceeding, the limitation period is two years from the date of the offence: *Copyright Act* s.43(4). However, if the proceedings are commenced by indictment, there is no limitation period.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

Penal sanctions can be sought against any legal person, whether an individual or a corporation.

2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

The court which rules on penal liability for an action of counterfeiting has the right to rule on the validity of the intellectual property, but this ruling is applicable only in that proceeding; it does not result in revocation of the intellectual property right. For example, in *R. v. Strong Cobb Arner* [1972] 1 O.R. (1st) (Prov. Ct.); affirmed (1973), 2 O.R. (2d) 220 (Ont. H.C.); affirmed (1974), 2 O.R. (2d) 692 (Ont. C.A.), a criminal prosecution for alleged forgery of a trade mark, the registered trade mark in issue was found to be invalid as not distinctive and the accused was acquitted on that basis.

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

Not applicable.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

The penal sanctions for copyright or trade mark counterfeiting as referred to above are a fine or imprisonment. Forfeiture may also be ordered. See *Copyright Act* s. 42(2), (c), (d), 42(3), s.43 *Criminal Code* s. 412 (*supra*).

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

The courts which impose penal sanctions do not in the criminal proceeding award damages. (It is possible that a civil action may be taken in a court which has jurisdiction to deal with a criminal proceeding, but civil and criminal proceedings are entirely separate.)

- 2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc*

A private prosecutor may prosecute offences relating to intellectual property, either by preferring an indictment with the written consent of a judge (sections 574 and 577 of the *Criminal Code*) or by laying an information under which a summary conviction can be reached.

In general, penal procedures are initiated by a charge laid by the police and are prosecuted by a Crown attorney (a government lawyer employed to prosecute all types of penal offences).

If the prosecutor is satisfied that no offence has been committed the charge can be withdrawn. The prosecutor may negotiate with the accused as to plea and sentence. Any agreement with respect to the same may be presented to the presiding judge as a recommendation and is generally followed. Use of a criminal charge to induce a settlement agreement can lead to a tort of malicious prosecution.

The prosecutor must prove the elements of the offence in a penal proceeding “beyond reasonable doubt”.

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

There has been very limited use of the *Criminal Code* provisions regarding forgery of a trade mark. There has been more use of the criminal provisions of the *Copyright Act* but even so such provisions are relatively rare.

- 2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

An expert witness can give evidence on any issue relating to the infringement or validity of the intellectual property right which properly requires expert evidence. For example, in relation to forgery of a trade mark, expert evidence may be given in relation to the distinctiveness of the trade mark which may impact the validity of the mark in issue.

- 2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonisation at the international level.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

Penal sanctions may be appropriate for blatant intentional counterfeiting of copyrighted works or trade marks, but otherwise it is not appropriate for intellectual property infringement issues. In our view it is not appropriate to apply penal sanctions to acts of patent infringement. Even “blatant copying” is not infringement if the intellectual property right is shown to be invalid.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

An intentional element should be a requirement for a penal sanction. In most cases, proof of intention should be required by the prosecution.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

The judge dealing with the penal sanction should be entitled to deal with the validity of the intellectual property right in issue. Invalidity of the intellectual property right is a defense to such offences and the accused should be able to raise it as part of his defense.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

It may be appropriate in some cases for the victim of counterfeiting to be the master of a criminal proceeding. However, if the victim chooses to seek the assistance of the police and government lawyer to impose court sanctions, the government lawyer should be the master of the proceedings. Criminal proceedings should not be used for extorting a settlement. Threatening criminal proceedings may constitute a criminal offence: *Criminal Code* s.346.

4. Various

The groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.

Indeed, taking into account the pioneer character of the question, the AIPPI wishes to profit from the experience of the national groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

In our view criminal proceedings for intellectual property infringement should be exceptional and only applicable in the clearest of cases.

Summary injunctive relief is available in civil proceedings where appropriate and upon a balancing of the infringement, and the irreparable harm to both parties, and breach of an injunction can give rise to penal consequences.

In view of the complexity of many intellectual property infringement and validity determinations, criminal courts are not well suited to deal with these issues, except in the clearest of cases.

Summary

In our view, penal sanctions for infringement of an intellectual property right should be limited to clear cases of counterfeiting of a trade mark or a copyrighted work.

Résumé

À notre avis, il conviendrait de restreindre les sanctions pénales, en matière de propriété intellectuelle, à ces seuls cas de contrefaçon pure, au sens du code criminel, par opposition au cas de simple usurpation des droits, en ce qui concerne une marque de commerce ou une oeuvre protégée par le droit d'auteur.

Zusammenfassung

Es ist unsere Meinung, dass strafrechtliche Sanktionen für die Verletzung eines geistigen Eigentumsrecht sollte auf zweifelfreie Fälle von Fälschungen von Warenzeichen oder urheberrechtlich geschützte Werke begrenzt sein.

Report Q169

in the name of the Croatian Group
by Mladen Vukmir

**Criminal law sanctions with regard to infringement of
intellectual property rights**

Introduction

As many other European countries in transition, Croatia is struggling to catch the fast-track to become a European Union Member State. One of its endeavors in this direction concerns harmonization of its legislation with the *acquis communautaire* in respect of protection of intellectual property rights and its enforcement. Croatia already made its legislation compatible with the WTO TRIPS requirements and is struggling to implement the efficient intellectual property rights enforcement system.

TRIPS Agreement includes the obligation of the Member States “to provide for criminal procedures and penalties to be applied at least in cases of willful trademark counterfeiting or copyright piracy on a commercial scale” (Article 61). This particular issue has not yet been on the AIPPI’s agenda, and was only partially discussed within the scope of Q134 (The Enforcement of IP rights- TRIPS). Prior to elaborating specific provisions of the Croatian Criminal Law related to the subject matter and the practical issues of enforcement, below is the general overview of the present situation regarding IP rights and their protection in Croatia.

As a general remark, it should be acknowledged that Croatia harmonized most of its legislation concerning the protection of IP rights in order to comply to TRIPS standards, introducing significant changes to the Criminal Law, and also by enacting completely new IP legislation. Some changes in the field of IPR legislation occurred within the last several years (as of 1997), after the enactment of the new Criminal Law (*Kazneni zakon*, the Official Gazette of the Republic of Croatia, NN 110/97, 27/98, 129/00), which entered force on January 1, 1998. This was followed by the enactment of a full set of the IP laws and/or their amendments (Trademark, Copyright, Patent, Industrial Designs, Indicators of Geographical Origin and Semiconductor Circuits Laws). One of the most important changes brought about with the enactment of the new Criminal Law is specific regulation concerning criminal liability for infringement of various intellectual property rights, which directly follows the intention of provision of Article 61 of the TRIPS.

Although not limited only to the IP enforcement, a significant general problem is the long lasting judicial procedure. Intermediary injunctions, for example, are sometimes ordered only after a six-month procedure, and the case on the merits may last from three to five years. The problems are comparable in both civil and criminal cases. The problem is aggravated by irregular publication of court decisions, especially the first instance decisions, therefore disabling the practitioners to follow the developing practice. Very recently some improvements became visible, especially in the field of software copyright and musical copyright protection.

In an attempt to include all of the enforcement authorities directly involved in the protection of IP rights in Croatia, we should mention the Police authorities, the State Inspectorate, the District Attorney’s Office and the Communal, Misdemeanor and Commercial Courts. The question of enforceability of the relevant legislation summarized below, primarily lies on their ability and capacity to implement solutions provided. Namely, unlike some other European countries, all of the felonies related to IPR protection in Croatia are now prosecutable only *ex officio*, thus creating greater responsibilities for the authorities and the necessity for their active involvement and continuing training. The increased incrimination of the IP infringements is a consequence of the idea that the transition requires strong protection of the IP in order to achieve a paradigmatic change in the society.

In other words it is considered that without showing strong resolve to protect the IP rights, the society will not turn around into the modern forms of economic wealth creation. It is interesting in this sense that the reform of the IP system started with the broad incrimination of the IP infringements and providing for the *ex officio* prosecution.

This article tries to cover all penalized forms of IP rights infringements, as well as the misdemeanor offences of the intellectual property rights.

Copyright protection

General provisions concerning protection of copyrights are contained in the Constitution of the Republic of Croatia (NN 41/01), as one of the basic human rights. Article 68 of the Constitution provides for the constitutional protection of creativity and intellectual property.

Criminal law

Specific provisions, concerning Criminal sanctions for different copyright related felonies, are contained within Head 17 of the Criminal Law, which is dealing with different criminal felonies against the property, and containing several newly incorporated felonies proscribing Criminal sanctions for deliberated infringement of **copyrights** and **neighboring rights**. There are several criminal felonies described in this Head of the Criminal Law, which are particularly relevant for the presently discussed issue. Those include:

Infringement of Copyrights of Authors and Performing Artists, related to protection of moral rights of authors (Article 229);

Unauthorized Use of Copyrighted Work or Performance of the Performing Artist, related to protection of economic rights of authors(Article 230); and

Infringement of Rights of the Producer of Phonograms or Videograms and of the Rights Related to the Radio-diffusive Broadcasts (Article 231).

Some of the incriminations concern the moral rights of authors, whereas others relate to economic exploitation of copyrights. However, all the above felonies were entered into the Croatian criminal law in order to provide better protection to copyright and to the copyrighted work/performance of the performing artist, respectively the owner of the recording. The provisions mostly correspond to the solutions of other European legislations, and are in particular taking into consideration solutions from various international legal sources, such as the Bern and the Rome Conventions, as well as the TRIPS Agreement.

Further, some of the criminal provisions regarding protection of rights of organizations for radio-diffusive broadcasts are contained in the Copyright Act (NN 9/99, Amendments to Copyright Act, NN 76/99). Namely, those felonies were not incorporated into the Criminal Law at the time of its enactment (1997), but were added later and incorporated into the Amendments of the Copyright Act (1999). The mentioned Copyright Act also proscribes number of different misdemeanor offenses, punishable by monetary fines. Below is a short summary of all of the relevant provisions of both Criminal Law and the Copyright Act.

Criminal Law of 1997 has derogated criminal provisions of the Copyright Law and, consequently, the criminal liability for infringement of intellectual property rights is now almost entirely governed by the provisions of the Criminal Law. At the moment of its enactment, the most important features of the new Criminal Law, as far as protection of copyrights and neighboring rights is concerned, was the introduction of provisions penalizing broadcasting, direct and indirect reproduction, distribution, rental and importation of phonograms committed without authorization of the phonogram producer's right holder. Likewise, similar provision penalized infringement of rights of broadcasting organizations. It is probably important to mention that, unlike the old Law, the new Criminal Law also penalizes unauthorized rentals and importation of copyrighted works, as well as unauthorized importation of articles of commerce by which trademark rights were infringed.

Although the new Criminal Law does not introduce any substantial changes to intellectual property related felonies, in some cases, the above-described changes mean that *ex-officio* prosecution is now a standard for the IP felonies and will facilitate prosecution of copyright piracy and trademark counterfeiting in Croatia under proper circumstances.

a) Protection of authors' moral rights

Article 229, entitled "Infringement of Author's Rights and Performing Artist's Rights," incriminates, in its first section, certain infringements of the moral rights of the authors. This primarily relates to the infringement of the paternity and divulgation rights, as the first two sections read that those who under their own or under another name publishes, displays, performs, transfers or in another way makes public somebody else's work of art, or permits that this is done, will be punished by a fine or by imprisonment of up to three years.

The same punishment is prescribed for those who illegally publish, display, perform, transfer or in another way make public somebody else's work of art marked with the name or artistic name of the author without stating the name or artistic name of the author, or who incorporate parts of somebody else's work in his/her work, or allows that this is done. Section three protects the right of integrity by stating that whomever destroys, deforms, disfigures, mutilates or in another way changes a work of art without a permission of the author shall be punished by a fine or by imprisonment of up to three years.

The copyright protection under this Article encompasses acts whereby a person, under his/her or somebody else's name, publishes, displays, performs, or in any other manner, makes available to the public the copyrighted work/performance of another (author/performer). Such acts are punishable by monetary fine or imprisonment up to three years.

The same punishment is proscribed for making available the copyrighted work/performance to the public, without stating the name/pseudonym of the author, or incorporating parts of somebody else's work in his/her work in an illegal manner, or allowing this to be done. It is important to point out that the pseudonym of the author is protected to the same extent as his/her name. The corresponding provision regarding protection of moral rights of the performing artist is contained in paragraph 5 of the same Article.

The following paragraph proscribes harsher sanctions (no monetary fine, imprisonment only) for copyright infringement (as described under first two paragraphs) committed towards the protected cultural heritage, which term denotes works entered into the Registry of the Ministry of Culture of the Republic of Croatia as protected cultural heritage.

The protection of integrity of work is provided by the provision of paragraph 4, stating that whomever destroys, deforms, disfigures, mutilates or in any other way changes the work of art without the permission of the author, shall be either fined or punished by imprisonment of up to three years. The author's moral right to oppose to any deformation, mutilation or other changes of the work is guaranteed by the Copyright Act (Article 27), which in general corresponds to the wording of the Bern Convention. Adding the element of destruction into the wording of the described provision of the Criminal Law is based on the existing court practice. The identical purpose (and identical wording, with necessary changes) of provision in paragraph 6 applies to the protection of integrity of work of the performing artist.

Qualified forms of copyright criminal felonies of Article 229, are described in the final paragraph. According to this, if a person gains significant monetary profit (according to the recent court practice, this would mean the amounts exceeding approximately USD 4000) or inflicts significant damage as a result of committing the above described acts, and the wrongdoer acted with the purpose of gaining such monetary profit, respectively inflicting such damage, s/he will be punished by imprisonment from six months to five years. Therefore, in the latter example, a special intentional element is required in order to qualify the act as criminal. It is important to note that no intention is required to commit the basic felonies described by this and other articles regarding copyright.

b) Protection of authors' economic rights

There are several felonies defined under **Article 230**, concerning infringement of economic rights of authors: (i) unauthorized use of copyrighted work; (ii) deliberate facilitating of unauthorized use of copyrighted work; (iii) qualified acts of the above mentioned felonies; (iv) detention of objects intended or used for committing the felonies under (i) and (ii), or of objects resulting from the committed felonies under (i) and (ii). The article also contains corresponding provisions regarding protection of rights of performing artists.

First paragraph of this Article primarily deals with different modalities of unauthorized use of a copyrighted work (encompassing the acts of recording to a material media, reproduction, copying, commercially releasing, renting, importing, carrying over the border, displaying, performing, transmitting, broadcasting, or making available to the public, translating, adapting, arranging, editing or using the copyrighted work), for which acts the Law provides for a monetary fine or imprisonment up to three years. The described provision relates to any use of the copyrighted work without the authorization of either the author, other holder of copyright or the person authorized to give such approval, and only in cases when such approval is required by the law. The approval is not necessary upon expiry of economic copyrights (according to the Copyright Act, such rights expire 70 years upon death of the author) or in cases explicitly listed in the Copyright Act (mostly relating to *fair use concept*). Unlike the old wording of the law, the new Criminal Law now also incriminates unauthorized rentals and import of copyrighted works. The corresponding provision of paragraph 2, *mutatis mutandis*, covers similar cases in connection with the rights of performing artists.

The above stated punishment is also prescribed for the wrongdoer who, with the intention of enabling unauthorized use of copyright/performance of performing artist, uses or enables others to use any kind of equipment/means, having the basic purpose of preventing a certain technical measures intended for protection of copyrights from unauthorized use. The intentional element is necessary for incrimination. Therefore, Croatia already has a basic incrimination of the technical measures infringement contemplated by the WIPO Copyright Treaty, which Croatia ratified after the enactment of the Criminal Law. It is possible that this provision sees further changes after the planned enactment of the new Copyright Act.

The same article further provides for the possibility of punishment for the person having in possession the objects intended or used for committing the act, or which were created by this criminal act, with the punishment of 100 to 300 daily incomes or imprisonment of up to six months. The incriminating element is mere detention of the objects, if the wrongdoer knew, might have known or had to know that the objects were intended or used in such a way. This new provision was incorporated into the law with the purpose of combating widespread unauthorized ("pirated") recording, copying, commercial release and import of protected works. The referred objects are in particular recording devices or copying machines, and the resulting objects are in particular unauthorized copies of copyrighted work.

Further, an important recent amendment was entered into paragraph 6 of Article 230 after the enactment of the new Law. Namely, as a result of the new wording of the Law, the objects intended or used for committing the above-described felonies shall be seized, whereas only the objects that resulted from the committed felony shall be seized and destroyed. Thus, this enables the ground for the authorities that seize, for example some computers, not to destroy those -- which was basically the requirement under the old wording of the Law. However, the implementation of this particular provision and its possible positive impact (for example, donation of such equipment) did not yet develop into a well established practice.

Analogous to Article 229, the qualified act (the wrongdoer who gained significant monetary profit or inflicted significant damage, and acted with the intention to produce such significant profit/damage) is punishable by a more severe punishment (imprisonment of six months to five years).

Considering the fact that unauthorized possession and use of copyrighted material occurs often in the piracy field, this is one of the Articles with somewhat better established court

practice. In most cases that were tried in Croatia under the new Law, the wrongdoers were sentenced to monetary fines, whereas, according to my knowledge, the only three final court decisions ordering suspended sentence of imprisonment for software crime, were rendered in March and November 2001. The first one was rendered by the Municipal Court in Dubrovnik, whereby the defendant was given a five months suspended sentence of imprisonment with one-year probation period for an unauthorized possession and use of copyrighted material (software). The other decision ordered six months suspended sentence of imprisonment with one year probation period. The third sentence pronounced eight months suspended prison term for the infringer that was found guilty in Beli Manastir.

Since the issue of enforcement of criminal sanctions in IPR protection becomes ever more important with the growing cyber-crime, it is important to mention that the newest development in this regard also involves Croatia's adhering to the Convention on Cyberspace (Budapest, November 23, 2001). The leading idea behind joining the Convention is to deal with cyber-crime and criminal procedure problems linked with information technology. If ratified, it may be expected that this would contribute to introduction of the new solutions into the criminal law.

c) Protection of neighboring rights

Article 231 contains one of the most important features of the new Criminal Law, as far as protection of IPR is concerned, introducing the provisions incriminating broadcasting, direct or indirect reproduction, distribution, rental and import of phonograms, committed without the authorization of the phonogram/videogram producers' right holder or a broadcasting organization who owns the broadcasting rights. This new felony is punishable by the monetary fine or imprisonment of up to one year. According to the content of the described felony, it is roughly analogous to the provisions concerning unauthorized use of the copyrighted work, as described in Article 230, paragraph 1. The qualified forms of this criminal act concern re-broadcasting, or copying and commercial release of the broadcast in question. Corresponding to the sanctions from Articles 229 and 230 described previously, intentional element qualifies such felonies as more serious, and proscribes imprisonment, ranging from six months to five years.

Copyright act

Although the general principle of the new Croatian Criminal Law is to incriminate all illegal actions within the Criminal Law, the Amended Copyright Law still introduced some **new felonies** connected with the newly introduced neighboring rights for the broadcasting organizations and phonogram producers. The Amendments to the Copyright Law, enacted in 1999, also contain several criminal provisions, thus creating a separate body of law related to copyright protection. Those felonies are of newer date, and this is the basic reason why those were not incorporated into the Criminal Law, which was enacted in 1997, but in the Amendments of the Copyright Law in 1999. The felonies described in **Article 124a** concern use (manufacture, editing, changes, import, export, renting, commercial release) of different devices or systems for decoding the encrypted satellite signal without the approval of the authorized distributor of the encrypted satellite signal. The proscribed punishment is either monetary or imprisonment of up to three years. Qualified incriminations (intentional element) provide for imprisonment ranging from six months to five years. Again, the objects used or intended for committing the act shall be seized and destroyed.

Other provision, contained in **Article 124b**, states that whoever receives the satellite signal, knowing that it was decoded without approval of authorized distributor, or re-distributes such signal, shall be fined. The qualified act of the above provision shall be fined or punished by imprisonment of up to three years.

One of the notable differences in connection with the enforcement of author's rights in Croatia, introduced into the Croatian system of civil law copyright protection by the Copyright Act Amendments (1999), is the introduction of the *ex-parte seizures*. Namely, the court may order provisional seizure or exclusion from circulation of the objects by which copyright is infringed or the equipment utilized for copyright infringement, or the objects resulting from copyright infringement, or the objects/equipment that may be used as evidence on copyright infringement. This may be done in

case of the hazard of author's rights violation. Also, in full compliance with the TRIPS, if there is a risk that proving infringement may be endangered or more difficult at later moment, or there is a risk of irrecoverable harm or that the above measures may not be effective, the court is authorized to order such measures without prior notification and hearing of the other party (*inaudita altera parte*).

Patent protection

One of the new provisions in the Criminal Law is in **Article 232**. This article provides for protection of the registered patent or a patent application, incriminating the acts of filing a patent application without authorization of the inventor, or without stating his/her name or falsely stating his/her name prior to publication of the invention in a legitimate manner, and proscribing a monetary fine or imprisonment of up to three years as punishment. The second paragraph deals with the unauthorized use of the product or procedure protected by the patent, with the identical punishment proscribed as in the first paragraph. The qualified felony corresponds to similar wording in the copyright protection provisions (significant monetary profit or inflicting significant damage, where the wrongdoer acted with the purpose of achieving such results), and the punishment ranging from six months to five years of imprisonment.

The final provision of this Article also determines that all objects intended or used for committing the felonies shall be seized, whereas the ones that resulted from such acts shall be seized and destroyed. However, it remains questionable whether destruction of the seized objects and the instruments is the only desirable outcome, because it appears that a court is unduly restricted by such a provision. It is hard to imagine that it would be better to destroy an expensive piece of equipment than sell it at an auction and repay the damages to the right-holder or donate it to a just cause, if suitable.

Unlike the Copyright Act, the Patent Act does not contain felonies, but it contains several provisions concerning misdemeanor offenses, including manufacturing, advertising, importing, selling and storing the product protected by patent or the product deriving from the procedure protected by patent. Other misdemeanors are: applying or advertising a patent protected procedure, or unauthorized filing of the patent application. The persons liable are either natural persons or entities (monetary fines proscribed are ranging between app. 2.300 to 23.000 USD), as well as the responsible person within the entity (the monetary fines of up to 2.300 USD).

Trademark protection

Criminal law

Besides the felonies described above, there are several Articles, related to protection of IPR, contained in Head 21 (Criminal Acts against the Safety of Monetary and Business Transactions) of the Criminal Law. The felonies in this Head concern Deception of Customers (Article 284), which already existed in the old Criminal Law, and Infringement of Intellectual Property Rights and Unauthorized Use of the Company Name (Article 285), which is a newly incorporated criminal felony. This Head of the Criminal Law lists in its Article 295 entitled Disclosing and unauthorized obtaining of a Business Secret a provision dealing with the protection of Trade Secrets. Below is a short summary of the basic and qualified felonies mentioned above.

The Criminal Law incriminates counterfeiting of the trademarks and other distinctive signs, as described in **Article 285**. This Article determines that, whomever infringes a trademark (this term here includes service marks, collective marks and certification marks in the sense of the Trademark Law), industrial design protection, and indications of origin or any other industrial property right other than a patent, shall be punished by a fine or imprisonment of up to three years.

Next section of this article incriminates unauthorized manufacturing, import, offering for sale, commercial release, storing or using the product protected by the IP right other than a patent, all punishable by monetary fine or imprisonment of up to three years; and also a more rigid punishment by imprisonment, of up to six months to five years, if the intentional element occurred on behalf of the wrongdoer. Thus, a comprehensive protection is provided to both customers, as well as to manufacturers/licensors. There is one more provision within this Article, which might be of interest,

as it provides protection not only to intellectual property owners, but also provides protection to the owner of the **company name/business name**. Namely, whoever uses the company name of another, or enters into it any designations/elements of trademarks/industrial design, shall also be punished by a monetary fine or imprisonment of up to three years.

As mentioned above, there is yet another article within this group of IP rights protection articles, concerning Deception of Customers in **Article 284**. According to said provisions, different acts of deception of consumers (committed by designating the products with false marks; incorrect or lacking data of origin, contents, kind or quality etc.) are punishable by monetary fine, or imprisonment of up to one year. Such punishments are, however, less rigid than in the old text of the Law (the old text contained punishment of imprisonment plus a monetary fine). Deception of consumers also covers cases of false advertising of discount or sales, and is punishable by the monetary fine of up to 100 daily incomes or imprisonment of up to six months. Although this Article is illustrated under the general term of trademark protection, and often would cover regular trademark infringement situations, still it should always be construed and interpreted to cover the broader concept of unfair market competition. Namely, the behavior penalized by this provision encompasses the imitation which could lead to the confusion of the signs that are not necessarily protected trademarks.

Trademark law

In its part 9, the Trademark Law deals with misdemeanors related to trademark infringement. This law determines in its Article 55 that unauthorized use, reproduction or imitation, offering for sale, affixing of a trademark on goods or their packaging, importing, exporting or using somebody else's trademark when providing services by an entity, shall be punished by a fine ranging from five thousand to fifty thousand Croatian Kuna (app. 595 to 5.900 USD). Further, paragraph 2 of the same article provides that unauthorized storing of the products, knowingly illicitly marked by somebody else's trademark, knowingly selling goods or providing services, or furnishing third parties with the goods knowingly marked with somebody else's trademark shall be punished for misdemeanor with the same fine. Therefore, it is now clear that the Croatian law declares as misdemeanors some forms of infringement that would best be described as specific kinds of contributory infringement, even when such actions are not conducted in direct cooperation with the infringer. Natural persons shall be fined for the same acts by lesser fines (highest amount being 595 USD). In addition to the above fine, the responsible person within the entity shall be fined from six thousand to sixty thousand Croatian Kuna (app. 700 to 7.000 USD) for the same misdemeanors. The products intended or used for the above acts are to be seized and destroyed.

Industrial design protection

The criminal protection of the industrial designs is provided by the provision of Article 285 of the Criminal Law described above in context of the incriminated trademark infringements and it will not be repeated here. It should be added here that this Article extends this protection to other IP rights, such as possibly, designations of origin or other similar IP rights, expressly excluding the patents.

The Industrial Design Law contains one additional Article with provisions on misdemeanors. The monetary fines prescribed for a legal entity apply in cases of manufacturing, commercially releasing, importing, exporting or using a product containing an industrial design of another, or to which an industrial design of another had been applied, as well as for storing such product for the above purposes. The fine ranges between app. 600 USD and 6.000 USD.

The responsible person of the above entity or a natural person who refuses to reveal information on the origin and the manner of acquisition of the products, and was found in possession of the products illegally manufactured or commercially released, or was transferring the rights to the third person or was using the license contrary to the licensing contract, or raised unlawful claims that s/he created the industrial design, may also be punished (app. 120 USD to 600 USD). The above fine shall be increased to 2.400 USD if the above was done in order to obtain monetary gain. The products intended or used for committing the above acts shall be seized and destroyed.

Trade secrets

In the context of intellectual property protection, there is also an important issue of protection from the acts of unfair competition of another merchant (including disclosure of trade secrets), which could have detrimental consequences for the market position of a merchant and his products. Croatian law contains several provisions in this respect.

The general provisions may be found in The Law on Confidential Data Protection (*Zakon o zaštiti tajnosti podataka*, NN 108/96), which contains a definition of a trade secret in general. Another specific provision related to the subject is contained in the Law on Trade (*Zakon o trgovini*, NN 11/96, 75/99). According to provision of Article 58 of said Law, illegitimately obtained trade secret of another merchant or unlawful use of a transferred trade secret of another merchant are examples that are considered as acts of unfair market competition. Such acts are forbidden. Said Law in its Article 66 prescribes a monetary fine for acts of unfair market competition, in the amount ranging from 6.000 USD to even 25.000 USD. The responsible person in the legal entity committing such acts may also be fined (app. 1.200 USD to 7.100 USD).

Criminal law extends the protection of trade secrets by the means of the Criminal Law, which in its Article 295 incriminates disclosing and unlawful acquisition of the trade secret with the sanctions of monetary fine or imprisonment from one to ten years, depending on the legal qualification of the act committed.

Summary

As described in the Report, the Croatian legislation does contain a number of various provisions on protection of intellectual property rights. The protection is primarily provided by the criminal law provisions, but also by the relevant laws regulating specific areas of IP (Trademark, Copyright, Industrial Design Law etc.), as well as general provisions on unfair market competition (the Law on Trade). In general, it might be said that most of the existing legislation is in compliance with the TRIPS and other agreements. Nonetheless, there is always room to make further changes in order for the existing laws to reflect the current reality (possibly harmonizing the existing laws with the new solutions regarding cyber-crime).

The existing problems regarding enforcement (such as lack of established practices and relative lack of experience on behalf of the authorities enforcing those rights, or the delays in the court procedures), should be overcome by the promoting ongoing education and training of the practitioners at the responsible authorities, as well as investing more effort into creating unified practice.

Résumé

Comme décrit dans le rapport, la législation croate contient effectivement de nombreuses dispositions qui se réfèrent à la protection des droits de propriété intellectuelle. La protection est assurée en premier lieu par les dispositions du code pénal, mais également par celles des lois correspondantes qui régissent les domaines spécifiques de la propriété intellectuelle (loi sur les marques, les droits d'auteur, les dessins industriels, etc.), ainsi que par les dispositions générales sur la concurrence déloyale (Code de commerce). En général, on peut dire que la plupart de la législation existante est en accord avec le TRIPS et les autres accords. Quoiqu'il en soit, il y a toujours de la place pour des modifications supplémentaires afin que les lois existantes reflètent la réalité du moment (harmonisation éventuelle des lois existantes avec les nouvelles décisions dans le cas de la cyber-criminalité).

Les problèmes existants en ce qui concerne l'exercice des droits (comme la non-existence d'une pratique établie et un manque relatif d'expérience au sein des organismes compétents qui devraient assurer la protection de ces droits ou un retard dans le traitement des procédures judiciaires), devraient être résolus par l'encouragement de l'éducation permanente et l'instruction du per-

sonnel des organismes compétents, ainsi que par l'augmentation des efforts dans le but d'établir une pratique unifiée.

Zusammenfassung

Die kroatische Gesetzgebung enthält tatsächlich, wie aus dem Bericht hervorgeht, zahlreiche Bestimmungen über den Schutz von geistigen Eigentumsrechten. Diesen Schutz gewährleisten in erster Linie die Bestimmungen des Strafgesetzbuches aber auch andere Gesetze, durch welche verschiedene spezifische Gebiete des geistigen Eigentums geregelt werden (Gesetze über die Schutzmarke, das Urheberrecht, das Industriedesign usw.), sowie die allgemeinen Bestimmungen über den unlauteren Wettbewerb (Gesetz über den Handel). Im Allgemeinen kann man davon ausgehen, dass der Großteil der vorhandenen Legislative mit TRIPS und anderen Verträgen übereinstimmt. Unabhängig davon besteht stets genügend Freiraum für künftige Änderungen, damit die vorhandenen Gesetze die aktuelle Gegenwart wiedergeben (etwaige Anpassung der geltenden Gesetze an die neuen Lösungen in Bezug auf die Cyber-Kriminalität).

Schwebende Probleme im Bezug auf die Durchsetzung von Rechten (z. B. das Nichtvorhandensein einer etablierten Praxis und der relative Mangel an Erfahrung bei den zuständigen Institutionen, die den Schutz dieser Rechte wahrnehmen, sowie die Verzögerung der Gerichtsverfahren) sollten durch die Förderung der nachhaltigen Ausbildung und Schulung des Personals bei den zuständigen Organen sowie durch größeren Einsatz für die Schaffung einer einheitlichen Praxis gelöst werden.

Czech Republic
République Tchèque
Tschechische Republik

Report Q169

in the name of the Czech Group

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

Infringement of IP rights in the Czech Republic is sanctioned in compliance with individual rights of industrial property, for example in compliance with respective sections of the Patents Act, Trade Marks Act, Act on the Measures on the Borders and also in compliance with respective sections of the Commercial Code. Sanctions for infringement of IP rights are stipulated especially in the Criminal Code. They move from interlocutory injunctions prohibiting further infringement of the right, to the injunction of use, compensation of the damage caused, forfeiture of goods, destruction of infringing goods and even imprisonment up to 5 years.

Report Q169

in the name of the Danish Group
by Peter-Ulrik PLESNER and Søren Stenderup JENSEN,

Criminal law sanctions with regard to the infringement of intellectual property rights: Denmark

This paper describes the rules on criminal law sanctions with regard to infringement of intellectual property rights in Danish law.

The paper is prepared in accordance with the structure and the sub-questions set out in Question 169, that was put on the Agenda for the Meeting of the Executive Committee Meeting 2002 in Lisbon by the Executive Committee in Melbourne.

1. Has article 61 of the TRIPS Treaty been introduced into Danish legislation with regards to trademark and copyright law?

In 1994 Denmark ratified the WTO Treaty and in 1995 the TRIPS Treaty entered into force. In 1995-1996 Denmark made the required amendments to the various Acts on intellectual property rights and, as a consequence, the Trademark Act and the Copyright Act now meet the requirements in article 61 of the TRIPS Treaty, cf. Chapter 6 of the Trademark Act and chapter 7 of the Copyright Act.

2. Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on? and what are the sanctions envisaged by the Danish penal legislation for acts of infringements of intellectual property rights?

Patent law

Section 57 of the Danish Patents Act imposes penal sanctions for intentional infringement of a patent. The sanction is a fine and, under aggravating circumstances, imprisonment of up to one year. Such circumstances may be repeated offences, continued infringement in spite of warnings on the part of the patent owner, or gross exploitation of particularly poor possibilities of detection. Unintentional infringements are not penalised.

As far as it is known, neither fines nor imprisonment has been inflicted while the current Patents Act has been in force. In a recent unpublished decision (judgement by the High Court of Western Denmark of 27 July 2001) the High Court refused to impose a fine on one of the infringing parties even though he had been warned prior to his use of the infringing piece of machinery. However, this infringing party was only a user and not the manufacturer.

Design law

Section 36 of the Danish Designs Act imposes penal sanctions for intentional infringement of a design. The sanction is a fine and, under aggravating circumstances, imprisonment of up to one year. Unintentional infringement is not penalised.

As far as it is known, neither fines nor imprisonment has been inflicted while the current Designs Act has been in force.

Utility model law

Section 39 of the Danish Utility Models Act imposes penal sanctions for intentional infringement of a registered model. The sanction is a fine and, under aggravating circumstances, imprisonment of up to one year. Unintentional infringement is not penalised.

As far as it is known, neither fines nor imprisonment has been inflicted while the current Utility Models Act has been in force.

Marketing practices law

Normally, the question of good marketing practices is not considered part of intellectual property law. In Denmark - as in many other European jurisdictions - the Marketing Practices Act provides an additional protection of the position of products, business names etc. in the market. Although this protection is based on principles of competition rather than the creation of the product in question, in practice the protection of various industrial products under the Marketing Practices Act is highly efficient. Accordingly, the penal rules of the Danish Marketing Practices Act are also included in this paper.

Section 22(3) of the Marketing Practices Act imposes penal sanctions for intentional infringement of section 5 (the protection of business names) of the Act. The sanction is a fine.

According to the available case law, only modest fines are imposed when infringement has taken place. It is, however, the intention from the legislator that the level of fines shall be raised considerably in the future, cf. the commentary to the Marketing Practices Act.

Trademark law

Pursuant to section 42 of the Danish Trademarks Act, intentional infringement of trademark rights is punished by a fine. Under aggravating circumstances, including in particular if the purpose of the violation is a significant and obviously unlawful profit, punishment may increase to imprisonment of one year, cf. section 42(1), 2nd sentence, of the Act.

Under certain circumstances, legal protection pursuant to the Trademarks Act may be supplemented by the provisions of section 176(2) of the Penal Code concerning evidence and section 279 on fraud. Attempts are made to curb piracy via Interpol and the customs authorities, which closely supervise cross-frontier transport under the provisions of Act no. 1091 of 20 December 1995 and Order no. 1134 of 21 December 1995. (The Act determines the application of Council Regulation (EC) no. 3295/94 of 22 December 1994 laying down measures to prohibit the release for free circulation etc.).

According to published case law, no infringing party has been punished by imprisonment. On the other hand, decisions do exist where the infringing party has been imposed a fine of DKK 50,000 (app. EUR 6,650), see for example a judgement by the Maritime and Commercial Court reported in Danish Law Weekly 1998, p. 946 SH, involving World Wide Fund for Nature's device mark of the panda together with the word mark "WWF".

The size of the fine is generally determined on the basis of the nature and seriousness of the violation but the infringing party's ability to pay is also taken into account

Copyright law

Penal sanctions for copyright infringements is provided by chapter 7 of the Danish Copyright Act.

Pursuant to section 76 of the Act, fines may be imposed in case of violation. In contrast to the other intellectual properties described, a fine can be imposed both when the infringement is intentional and when it is gross negligent.

In case of intentional violation of sections 2 (exclusive right), 3 (the right to be designated on the work), 65, 66, 67, 69, 70 and 71 (protection of performing artists, sound recording, image recording, radio- and television broadcast, picture recording and catalogue producers), punishment may under particularly aggravating circumstances be increased to simple

imprisonment or suspended simple imprisonment for up to one year, cf. section 76(2). This provision is aimed at organised commercial production and spreading of copies of works or creations that are protected pursuant to Chapter 5 of the Act. Particularly aggravating circumstances are deemed to exist if the offence concerns a considerable number of copies, or if the object of the offence is to obtain considerable profits.

The area of protection of videograms, computer programs etc. is to a large extent dominated by professional crime, often in the form of international private activities. Infringements generally result in penal sanctions but prosecution in this respect is widely entrusted to the public authorities.

Attention is drawn to Copenhagen City Court's unpublished judgement of 9 May 1997 where an editor was sentenced to 20 days conditional detention for unlawful copying of the diary of a politician. From the available extensive case law, reference is made to the High Court for Western Denmark's judgement reported in Danish Law Weekly 1996, p. 1093. In this decision it was found that the bear and chicken figures, which are very well known in Denmark from a children's television programme, had been infringed. The punishment for the copyright infringement was determined to DKK 10,000 (app. EUR 1,333), damages for lost turnover to DKK 100,000 (app. EUR 13,333), and compensation for non-suffered loss to DKK 20,000 (app. EUR 2,666). In a decision from the High Court for Eastern Denmark reported in Danish Law Weekly 1997, p. 503, intentional infringement of an artist's sole right by commercial production of copies resulted in a fine of DKK 5,000 (app. EUR 666).

3. Does the penal liability require a special intentional element?

Trademark, patent, utility model and design law

Penal sanctions pursuant to the Trademarks Act, The Patents Act, The Utility Models Act, and The Designs Act are conditioned on the infringement having been intentional. Non-intentional infringements are not punished, no matter if they are grossly negligent on the part of the infringing party.

Copyright law

According to the Danish Copyright Act not only intentional but also grossly negligent violations are penalised, cf. section 76 of the Act.

Marketing practices law

According to the Danish Marketing Practices Act the penal sanctions laid down in section 22 does not require an intentional element. This means that also negligent acts are punished. However, only intentional violation of section 5 (the protection of business names etc.) is punished.

4. Who has the burden of proof?

Trademark, copyright, utility model and design law

Concerning the above mentioned intellectual property rights, the burden of proof generally lie with the party objecting to the infringement or the prosecution authority, as the case may be.

Patent law

As far as patent law concerns, the burden of proof also lies with the party objecting to the infringement.

However, the burden of proof lies with the infringing party if the patent infringement concerns a patent for a process (process patents) for a new product pursuant to section 64a of the Act. It is, however, highly unlikely that this revised burden of proof will be applicable in cases involving penal sanctions. As a consequence, the burden of proof will also lie with the party objecting to the infringement in process patents cases involving penal sanctions.

Marketing practices law

In general, the burden of proof lies with the party objecting. However, section 2(4) prescribes, that it should be possible to prove the correctness of statements of actual circumstances, i.e. the burden of proof for the factual information in advertisements being correct is always put on the trader.

5. Is the special intentional element supposed or must it be proven positively?

Trademark, copyright, design, patent, utility model, and marketing practices law

Concerning all intellectual property rights, the intentional element must be positively proven in accordance with the Danish rules of proof. These rules of proof vary depending on whether the infringement or violation is brought by the aggrieved party (private prosecution) or by public prosecution. In general, prosecution concerning violations of intellectual property rights are brought by the aggrieved party, (private prosecution) meaning that the case will be treated as a civil case in accordance with the Administration of Justice Act.

In criminal cases, the general principle of "in dubio pro reo" prevails, leading to the fact that the general assessment of evidence is strict.

It is, however, also a general principle of Danish criminal law, that penal sanctions can be imposed if it is proven that there is every probability that the infringing party has acted intentionally ("dolus eventualis").

6. Are there any differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability? And are the civil and penal liability likely to be engaged for the same acts of counterfeiting?

There are quite a few differences between infringements of an intellectual property right from the point of view of the civil liability compared to the penal liability. In general, it is easier to impose civil sanctions (compensation) on the infringing party as the intentional element is not required and the burden of proof required is not as difficult to establish.

Infringements of an intellectual property right from the point of view of the penal liability is described in question 2-5.

It is very likely that in all cases concerning penal liability, the question of civil liability will be raised as well. The opposite does not apply.

Patent law

The infringing party is liable to pay a reasonable remuneration and compensation if the infringing act is intentional or negligent, cf. section 58(1) of the Patents Act. Whereas the payment of compensation requires a certain kind of documented loss, the payment of remuneration is actually meant as a kind of royalty and can be paid discretionary without a documented loss. If the infringement is not intentional nor due to negligence, the infringing party can however still in some cases be imposed to pay remuneration and compensation to the extent found reasonable, cf. section 58(2) and 58(1) of the Act.

According to section 83(2) of the Act concerning infringements of EP patent applications leading to the granting of the patent, the infringing party can be imposed to pay remuneration and compensation to the extent found reasonable, cf. section 58(2) of the Act.

Trademark law

According to section 43(1) of the Trademarks Act, the infringing party is liable to pay remuneration and compensation to the party objecting to the infringement if the act is intentional or negligent. Whereas the payment of compensation requires a certain kind of documented loss, the payment of remuneration is paid as royalty and can be paid discretionary without a documented loss. If the infringement is not intentional nor due to negligence, the infringing party can however still in some cases be imposed to pay remuneration and compensation to the extent found reasonable, cf. section 43(2) and 43(1) of the Act, from the time when a translation to Danish of the claims has been filed with the Danish Patent Office.

Copyright law

According to section 83(1) of the Copyright Act, the infringing party is liable to pay remuneration and compensation to the party objecting to the infringement if the act is intentional or negligent. The payment of compensation requires a certain kind of documented loss, whereas the payment of remuneration is meant as royalty and can be paid discretionary without a documented loss, cf. the Patents Act and the Trademarks Act. If the infringement is not intentional nor due to negligence, the infringing party can however still in some cases be imposed to pay remuneration and compensation to the extent found reasonable, cf. section 83(2) and 83(1) of the Act. The remuneration and compensation can, however, not exceed the profits gained by the infringement

Under section 83(3), non-financial damage may also be compensated.

Design law

The infringing party is liable to pay a reasonable remuneration and compensation for infringing others exclusive rights according to the Act, cf. section 37(1) of the Designs Act. The rule corresponds to the rules set out in the Copyright Act.

If the infringement is not intentional nor negligent, the infringing party is only liable to pay remuneration and compensation to the extent found reasonable and only if the party in question has gained profits, cf. section 37(2) of the Act.

The compensation can never exceed the profits gained.

Utility model law

The infringing party is liable to pay a reasonable remuneration and compensation for infringing others exclusive rights according to the Act, cf. section 40 of the utility Models Act. The rule corresponds to the rules set out in the Patents Act.

Marketing practices law

The Marketing Practices Act section 13(2) imposes that the infringing party is liable to pay compensation according to the general Danish rules of compensation. This means that the infringing party is liable to pay compensation for the violation if the act is intentional or negligent, and if the aggrieved party can document a loss.

7. Are the terms of limitation of the acts identical from the point of view of the civil liability and the point of view of the penal liability?

Trademark, patent, copyright, utility model, design and marketing practices law

According to the Danish Statute of Limitation, section 1(5), the civil liability concerning compensation is limited to 5 years.

If the compensation is allocated in a criminal case concerning penal liability, and if the infringement de facto has contributed to the origin of the damage, the liability is limited to 20 years.

As far as **Patent law** is concerned, according to section 60(1) of the Patent Act, regarding use of the patent taking place before the application documents for registration have been made available to the public, the terms of limitation for the obligation to pay remuneration and compensation to the extent found reasonable, cannot be less than a year from the time the patent is granted, cf. section 60 (2) and (3), cf. 58(2) of the Act.

According to the section 39(2) of the **Designs Act**, the liability for violation of section 39(1), relating to use of the design prior to the application documents for registration having been made available to the public, cannot be less than a year.

The penal liability is limited to 2 years according to the section 93 (1.1) of the Danish Criminal Code.

8. Does Danish law provide the penal liability against a legal moral person?

Trademark, patent, copyright, utility model, design and marketing practices law

According to these intellectual property rights, penal liability can be provided against legal persons in accordance with the Danish Penal Code. Section 25-27 of the Danish Penal Code provides that legal persons can be punished by a fine if the infringing acts are caused by persons connected to the legal person or by the legal person as such.

9. Does the penal Court which rule on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right?

The answer to this question depends on whether the infringement or violation is brought by the aggrieved party (private prosecution) or by public prosecution, cf. question 5.

If the infringement is subject to private prosecution, the legal proceedings will follow the rules of the civil procedure in the Administration of Justice Act and - as a consequence - the Court only rules on the question of the validity of the property right if it is raised by one of the parties.

In cases that are subject to public prosecution, it is imposed on the prosecutor alone to elucidate the case. However, it is always implied by the prosecutor that the intellectual property right in question is valid and in force.

If the question is raised in court by the defendant or by the Court itself according to sections 873 and 880 of the Danish Administration of Justice Act (the general principle that the truth must be found in criminal cases), the penal Court has the capacity to rule.

As a result, it is in general not necessary for the defendant to ask a stay of proceedings in order to seize the civil judge or the patent office of the appreciation of the validity of the right that is opposed to him.

The Court is also qualified to allocate damages in repair of the damage undergone by the victims of the acts of the counterfeiting both in civil and criminal cases.

10. What is the role of the technical experts in the penal procedure?

Trademark, patent, copyright, utility model, design and marketing practices law

According to the section 896, 2. sentence of the Danish Administration of Justice Act, the Court has freedom to consider the evidence put forward in the case. This principle also exists in the civil part of the Administration of Justice Act.

The technical expert is often used in civil cases involving patent, utility model or copyright law, mostly concerning distinction, validity, infringement, the question of qualification of an artistic work and novelty.

The role of the technical expert in the penal procedure is not great - if it exists at all. In these cases, as they have been seen by the courts so far, the primary question or task has been to establish the intentional element and to estimate an appropriate compensation, and that do not require the assistance of a technical expert.

11. Our general opinion on the interest of the penal sanctions for acts of violation of the rights of intellectual property rights.

It is the general opinion of the Danish Group, that the legislation in Denmark concerning penal sanctions for acts of violation of the rights of intellectual property rights are applicable and reasonable.

The Group sees it as a problem, however, that the level of compensation given by the Courts in each case is neither sufficient to compensate the loss nor preventive in order to discourage future infringements.

Finland
Finlande
Finnland

Report Q169

in the name of the Finnish Group
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Criminal law sanctions with regard to the infringement of intellectual property rights

Summary

The report answers to questions concerning the criminal law sanctions with regard to the infringement of each intellectual property right in Finland. Criminal Code and the specific intellectual property legislation regulate the appropriate criminal sanctions of the infringement of intellectual property rights. The intentional element is included in the more severe crimes sanctioned in the Criminal Code.

Criminal law sanctions differ greatly in practice depending of the different intellectual properties. The report shows that for instance regarding patents there are hardly any criminal cases at all, but on the other hand in copyright piracy, counterfeiting and trademark piracy criminal sanctioning is common. The report shows anyhow that the sanctions in the intellectual property cases are lower than those of the more traditional criminal cases. The report shows that in the piracy cases the sanction and especially seizure of the goods by the customs authorities is effective whereas the damages for the infringement, even if awarded, remain in many cases uncollected due to the defaults in the payments.

The Finnish group finds that criminalisation of the infringements of intellectual properties is very justified and effective in some fields of intellectual property. Anyhow the legal praxis should be developed to make the sanctions more effective against the infringers of the intellectual properties.

Résumé

Le rapport répond aux questions concernant les sanctions du droit pénal à l'encontre des violations des droits de propriété intellectuelle en Finlande. Le code pénal et la législation spécifique de la propriété intellectuelle définissent les sanctions pénales appropriées des violations des droits de propriété intellectuelle. L'élément intentionnel est inclu dans les infractions plus graves sanctionnées par le code pénal.

Les sanctions du code pénal sont en pratique très différentes dépendant des droits de propriété intellectuelle auxquels elles se rattachent. Le rapport montre que s'agissant par exemple des brevets il n'y a guère des cas pénaux, mais que d'autre part pour le contrefaçon, le piratage des droits d'auteur et de la marque de fabrique, les sanctions pénales sont communes. Le rapport montre cependant que les sanctions pour les affaires du droit de propriété intellectuelle sont inférieures à celles des cas pénaux plus traditionnels. Le rapport montre que dans les cas de piratage, la sanction et en particulier la saisie des biens, est efficace alors que les dommages et intérêts pour la violation, même si accordés, restent souvent non perçus en raison du non-paiement.

Le groupe finlandais considère que la criminalisation des violations aux droits de propriété intellectuelle sont bien justifiées et efficaces dans certains domaines du droit de propriété intellectuelle. Cependant, il conviendrait de développer la jurisprudence afin d'enforcer l'efficacité des sanctions prises à l'encontre des auteurs des infractions aux droits de propriété intellectuelle.

Zusammenfassung

Der Bericht antwortet auf Fragen über die strafrechtlichen Folgen der Verletzungen der Immaterialgüterrechte in Finnland. Das finnische Strafgesetz und spezifische immaterialgüterrechtliche Legislatur regeln die strafrechtlichen Folgen der Verletzungen des jeden Immaterialgüterrechts. Die schwereren Verletzungen, die das Strafgesetz sanktioniert, enthalten das Element der Absichtlichkeit.

Die Sanktionen unterscheiden sich enorm unter den verschiedenen Immaterialgüterrechten. Der Bericht zeigt, dass es kaum strafrechtliche Fälle über Patentrecht gibt. Dagegen ist Sanktionierung in Rechtsfällen, die um Urheberrechtspiraterie, Nachbildung und Markenpiraterie gehen, häufig. Der Bericht zeigt jedoch, dass die Sanktionen in den immaterialgüterrechtlichen Fällen niedriger sind, als die in den eher traditionelleren Fällen. Der Bericht zeigt, dass die Sanktionen und die Konfiskationen in den Pirateriefällen effektiv wirken. Dagegen, Schadenersätze, wenn diese überhaupt zu leisten verurteilt werden, bleiben meistens durch Zahlungsunterlassungen unbezahlt.

Die finnische Gruppe ist der Meinung, dass die Kriminalisierung der Immaterialgüterrechtsverletzungen sehr berechtigt und effektiv in manchen Feldern des geistigen Eigentums ist. Jedoch die Rechtspraxis sollte noch entwickelt werden, um die Sanktionen gegen die Rechtsverletzenden effektiver zu machen.

The questions and answers:

2.1 *Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?*

Laws of Finland provide currently criminal sanctions regarding violation or infringement or intellectual property rights ("IPR", covering industrial property rights, such as patents, trademarks and designs as well as copyright and related rights). This has been the matter of fact even before the entry into force of the TRIPS Agreement. It has been regarded that the laws of Finland are in conformity with the Article 61 of the TRIPS Agreement.

A list of provisions concerning the violation or infringement of individual intellectual property rights is provided as follows. These provisions have been included in the Annex to this Report Q 169 of the Finnish AIPPI Group.

- Trade Mark Act, Chapter 7, Section 39
- Act on Business Names, Section 22
- Patents Act, Chapter 9, Section 57
- Copyright Act, Chapter 7, Section 56a
- Registered Designs Act, Chapter 7, Section 35
- Act on Utility Model Rights, Chapter 8, Section 39
- Act on Exclusive Right to Topography for an Integrated Circuit, Chapter 6, Section 35
- Act on Plant Breeder's Right, Chapter 9, Sections 34 and 35
- Unfair Competition Act, Sections 9 and 10

Serious offences or violations of IPR are regulated in Finland in the Criminal Code in Chapter 49 Section 1 (copyright offence) and 2 (industrial property right offence). Generally, the criminal sanctions are a fine or a maximum of two years imprisonment. The industrial rights offence, however, does not include business names.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

And in particular, does this penal liability require a special intentional element?

Who has the burden of proof of this intentional element?

Is this special intentional element supposed or must it be proven positively?

For conditions of criminal liability, see the attached Annex.

Under the Penal Code, "intent" is generally required to trigger penal liability, unless a statutory provision explicitly states otherwise. The element of intent (*dolus eventualis*, *determinatus*, *directus*) has significance in jurisprudence, and may have an effect on whether a violation is subject to penal punishment or a less severe penalty. However it has less importance in practice, and within the limits of this study, it is not possible to discuss the matter in full detail.

An intent element is seen in the provisions of the Penal Code governing copyright infringement. Intent for achieving profit is an element of the offence according to *travaux préparatoires* of the Penal Code. Offences without the intent for profit are punished less severely under special legislation i.e. the Copyright Act. Proof of an intent for profit is not required to find a violation of an industrial property right, since the scope of protection of each respective exclusive industrial property right does not include non-professional exploitation. Hence intent for profit need not be proven separately for punishability. The special intent element, if applicable, must be proven positively by the plaintiff. As in normal penal proceeding, the burden of proof lies with the plaintiff or public prosecutor. Intent itself is presumed only under the Patent Act for a patent violation in the case of two identical products.

The industrial property right offence mentioned in the Penal Code (Chapter 49, Section 2) requires that the violation be committed in a manner causing considerable financial loss to the holder of the intellectual property right. Otherwise the offence is subject to a less severe penalty.

As noted, a copyright infringement requires under the Penal Code an intent to act "for profit" which is difficult to prove in on-line copyright infringement cases. Normally the court seems to interpret that "for profit" requirement is fulfilled only by a concrete financial gain through a transaction even though the term should cover any economic gain. It is evident that in legal praxis copyright infringements are not appraised in same manner as normal average penal cases. For example, in case the value of stolen tangible property like cars is the same as in a copyright case, the punishment in the copyright case is normally below that of the non-copyright case.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

A comparison of civil and penal liability provisions is set forth in the attached Annex.

Generally, the condition for punishability is set higher for penal liability when compared with civil liability i.e. as penal liability usually requires intent, civil liability often only requires negligence. With respect to patents, a person found guilty of patent infringement who had no intent nor was negligent, shall pay compensation for the exploitation of the invention only to the extent held reasonable (Patent Act, section 58, paragraph 2). The Copyright Act section 57 also requires a person who uses a work in violation of the act to pay the author fair compensation for such use. Negligence is not required. According to the Trademark Act (section 38, paragraph 3) even without negligence, the court may, where deemed reasonable taking into consideration infringer's financial and other circumstances, rule that the infringer

shall hand over to the aggrieved party the profits he has gained from the infringement (max. 3 preceding years).

Hence, violators of intellectual property rights are more often found liable under civil statutes, since civil liability usually does not require intent. In a case a person or entity is found penally liable for a given offence or violation, civil liability presumably also applies, but not vice versa; if civil liability is applicable, this itself is usually not sufficient for penal liability.

The right to recover damages shall lapse if a claim for damages has not been filed within five (patents) or ten (copyright) years from the date when the damage occurred or was caused or within three years of the time when the plaintiff learned of the violation and ascertained the identity of the violator (trademarks). For penal liability, the right to prosecute is limited to a term of two years when the offence is among those offences from which the maximum punishment is a fine or maximum of one year imprisonment. For offences with the maximum punishment of two years imprisonment, the right to prosecute is limited to a term of five years from the date when the offending act took place. Generally the term of limitation for civil liability is five years, and two years for penal liability for violations that are punishable by virtue of each special law that protects the respected right or five years for more severe offences that are punishable by virtue of the Penal Code.

Penal liability and punishment are considered important also in indicating a social offence; so that the defendant does not feel that the infringement concerns only the right holder's financial interests. For example piracy also becomes very expensive for the society.

2.4 The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.

We understand with the legal moral person here to be a legal entity, i.e. a company. The general principle is that companies are not subjected to penal liability. There are anyhow special provisions of a corporate fine in the Penal Code, which in certain cases can be used as a penal sanction against companies as defendants. This is however possible only in some specific offences such as environmental offences, not in the infringements of intellectual properties. It must anyhow be remembered that in civil cases companies as legal persons can be in the role of a party.

2.5 Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the penal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

Industrial property right and copyright holders can summon the same infringement both in civil and penal proceedings at the same time. Both cases may be proceeded in the same district court or the penal process may be stayed if another court (copyright) or another department of the Helsinki District court (industrial rights) has a pending matter and will rule on the validity of the same right. If the same court hears both of the cases, penal cases follow the penal process code and civil cases on the other hand the civil process code, which do differ from another.

The court that hears a penal case of an industrial rights offence, can not annul a trademark, business name, patent, registered design or other similar right in the penal proceeding. A claim to annul such rights must be made in a civil proceeding as stated in the relevant specific statute.

While defending him/herself in a penal proceeding against charges with an offence, the defendant may allege that the registration of a trademark or other similar right is void. Whether it becomes evident during a penal proceeding, that a registration is apparently void or there

are interpretational ambiguities, such discovery may lead to the discharge of the indictment. The claim to annul the registration, however, must be presented in civil proceeding.

Whether the other party in penal proceeding presents evidence, which makes it possible that the registration of the industrial right may be annulled, the court can decide to stay the hearing and wait for the result of the civil case of the annulment of the registration.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Are the courts, which impose penal sanctions, also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

In copyright cases the copyright holders must prove damages. The same court can examine the claim for damages both in civil and in penal cases. The court estimates the amount of damages on the basis of the evidences presented by the right holder or prosecutor. For example in online cases, the amount of damage is shown with a number of downloads or a number of potential users. In most cases damages follow the infringements or amounts of sold counterfeit goods.

The penal sanctions of intellectual property rights offences are presented in the table included. The sanction for such offences generally takes the form of a monetary fine..

It is very uncommon that charges are presented with intellectual property infringements in other cases but copyrights or trademarks (not as often as copyrights). In the past few decades there have been no penal intellectual property cases in the Supreme Court. There have been only a few in the lower courts regarding business name, patent or registered design violations.

Penal cases regarding copyright violations are more common. Often the penal sanction does not have the main role in these cases: the trial is mainly concentrated to the amount of compensation or damages awarded on the basis of the judgement in the penal case. Only one of the eight precedents of copyright offences or violations given by the Finnish Supreme Court after 1980, has dealt with – in addition to claims regarding compensation – defining a penal act and imposing a punishment. In the precedent (Supreme Court 1998:91) the lower court had sentenced a conditional imprisonment from the copyright offence but the Supreme Court changed the sentence to a fine. Other precedents regard a reasonable compensation or indemnification, which has been ordered in connection with the copyright offence (Supreme Court 1989:152, Supreme Court 1995:202, Supreme Court 1998:91, Supreme Court 1998:155, Supreme Court 2000:68, Supreme Court 2001:41, and Supreme Court 2001:42).

The court can also hear civil claims in the penal process if the claims are based on the same offending conduct. Therefore it is possible to order the defendant to pay damages or indemnification on the basis of the intellectual property violation. Anyhow the holder of the right may choose to make the claim of compensation either in a penal proceeding or a separate civil proceeding. Often a penal proceeding is mainly centered to compensation claim: the report of an offence was made to start an official penal investigation in a matter in which it would otherwise be difficult to find evidence. The purpose of the report of an offence seems not always to be the effect of punishment, but rather to the damages.

For example in a copyright offence case, the court may order the convicted person to provide equitable remuneration pursuant to the Copyright Act section 57, paragraph 1 and compensation for damages by virtue of the Copyright Act section 57, paragraph 2. Equitable remuneration has generally been awarded on the basis of the use of an object, namely equivalent to license fees (Supreme Court 1989:87, Supreme Court 1995:202, and Supreme Court 1998:91). The typical damage, which is caused by a copyright violation, is unobtainable profit (Supreme Court 1995:202).

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal proceeding, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal proceedings (times of proceeding, costs, a number of the litigation in country etc).

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal proceeding.*

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

a) The role of technical experts in the penal proceeding

In copyright and trademark cases the technical experts of copyright holders can provide information about the goods, namely which goods are original and which are counterfeits and they can also list confiscated goods. In on-line copyright cases the experts can provide information regarding programs and other technical details.

According to Patent Act, Section 66, the district court must be assisted by two technical experts when handling matters listed in Section 65 of the same Act. Section 65 includes, inter alia, patent infringement and patent invalidity. Helsinki District Court is the first instance in patent matters. The technical experts are not in the role of judges, but their role is to assist the judge(s) by providing a statement to the court. The judge(s) may pose questions to the experts and the experts may also make questions to the parties and witnesses. The experts provide the court with knowledge and understanding of the technical field concerned, but the legislative materials also mention the experts' role in knowing the practice in the relevant field of business. The statement of the experts does not bind the judge(s).

Provisions of Patent Act Section 66 are mandatory. It is not possible to handle patent infringement matters in the first instance without the technical experts. According to Act on Utility Models, Section 44, the provisions of Patent Act Section 66 apply also to utility models.

b) The validity of rights sued upon

The claim that the right sued upon is in fact invalid and thus cannot be infringed is of civil nature (as opposed to penal claims). According to the principle of separate proceedings in civil and penal matters, civil claims are not handled in penal proceedings, unless the claim is based on the same penal offending act, which the penal proceedings concern. An invalidity claim is not based on the act of infringement. Thus the invalidity claim must be presented in separate civil proceedings, which is treated as a civil matter. Two technical experts will assist the court handling the invalidity trial as well. However, as the trial is quite separate from the penal proceedings, these experts are not necessarily the same persons who assist in the penal proceedings.

The proceedings concerning patent infringement can be ordered to stay until the invalidity proceedings concerning the same patent have reached final decision. This is specifically stated in Patent Act, Section 61. Thus, if an invalidity action has been brought, the penal proceedings judge(s) and experts will normally know its outcome before making their decision or giving their statement, respectively.

As for the technical experts evaluating the obviousness of the validity of rights in penal proceedings as a part of evaluation of the intent element of the offence, this

does not belong to the scope of the penal proceedings. If someone infringes rights which he /she considers probably invalid, he/she takes a risk of having to prove the invalidity in civil proceedings. The fact that the defendant has brought an invalidity claim can have an influence on evaluating the intent element. This influence is however more due to legal consideration than to the technical experts.

In evaluating of the intent element of an infringement, the scope of the patent is of essential importance. The technical experts can provide their statement on whether it was obvious that the infringing act fell into the scope of the patent sued upon.

- 2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

In most copyright and trademark cases the sanction imposed takes the form of a monetary fine. Usually the amount of fines is between 5-50 day fines. In the year 2001 there have been about 30 copyright cases and only in five cases the defendants were sentenced to conditional imprisonment. Normally only penal sentences and seizure of the goods by the customs authorities are effective. Therefore the group finds it important that penal sentences would also be used and the offences against the intellectual property rights would be given similar assessment as the traditional penal offences.

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future, which could form the subject of an harmonisation at the international level.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

Penal sanctions are rather uncommon in practice concerning patent infringements. The group finds that penal sanctions should be used more because of their effectiveness and also because the police examination brings out the facts more completely than in a civil proceedings.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

Penal Code, general

For penal liability, intent is required pursuant to Penal Code, Chapter 49, section 1 (copyright offence) or section 2 (industrial right offence). Under certain circumstances, gross negligence is sufficient for penal liability by virtue of each specific intellectual property rights law.

Infringements that have occurred without the intent of damaging or detriment or in cases where copyright infringements are in no clear relation with profit earning are beyond the scope of the intellectual property offence. These acts, however, might fall under the penal provisions of each intellectual property right's special law, for example copyright infringements (Copyright Act), registered designs infringement (Registered Designs Act), infringement of a patent right (Patent Act), infringement of a right to a trademark (Trademark Act) etc. instead of the offences under the Penal Code.

One act might result in the infringement of numerous protected rights, but the legislators' intent is to assess the infringement as one intellectual property rights infringement. Intellectual property rights excluding patents follow ordinary penal proceedings as to proving intent.

With respect to patents, the procedural provisions for burden of proof are different: the Patent Act (Chapter 9, Section 57) presumes patent infringement in case of two identical products, unless else is proved (which means reversed burden of proof). This means that the intent character is derived from the nature of the infringement.

Trademark violation

For a trademark violation to meet the requirements of a trademark violation under Trademark Act, section 4, the trademark holder must own the rights of the trademark and the violator imports for commercial use or issues products, which are marked by a trademark that the trademark holder owns (or a trademark of confusing similarity) without the consent of the trademark holder. The violation under Trademark Act, section 4 does not require intent. The only condition is that the above-mentioned requirements of commercial use, distinctive mark, and confusing similarity are met.

The possible sanctions that result from a trademark violation are an injunction, restitution for damages, compensation for the use of a trademark (Trademark Act, section 38), a fine (Trademark Act, section 39), and removal/modification or destruction (Trademark Act, section 41).

Solely in case of restitution for damages or in case of a fine the amount of guilt or intent/negligence is evaluated. In all other circumstances i.e. presenting an injunction claim, a claim to return benefit received from using a mark, and a modification/destruction claim, the claims are absolute effects and they may be presented against everyone, who is an accessory in the chain of issuing a product or import/sales. The claims may be also presented against a party acting in good faith.

While evaluating the violator's intent in relation to counterfeits, and thus the punishability of an act, it is evaluated, whether the violator has fulfilled his/her duty to investigate the authenticity of a product. Hence it must be proved that the violator has not sufficiently ensured that the products are on the market with the consent of the right holder. Regarding the questions, which are the requirements to fulfil the duty to make inquiries, and what is required to make an act intended/punishable, the Finnish legislation presents no directions and the related legal practice is also very ambiguous (there are no precedents of the Supreme Court).

In legal practice, the following elements are considered having an effect on the scope of the duty to make inquiries and whether the duty is fulfilled:

i) circumstances:

price, appearance (authentic vs. counterfeit, how easy to identify as counterfeit), quality, place of purchase (is it a typical place for an authentic product), the personal professional skill/experience in the field, previous activities/crime,

ii) action taken by the defendant:

establishing authenticity (authenticity certificates – can not be sufficient, unless they show consent to these by the trademark holder/representative), activities by the trademark holder caused by the injunction claim (whether instantly seized or continued regardless of the injunction).

In a matter of trademark products, all of the above-mentioned facts should be consistently established in all counterfeit cases, while considering intent/punishability. Accordingly based upon the circumstances of each case, the defendant should have the obligation to establish how the defendant has fulfilled his/her duty to investigate the authenticity of a product. In case the duty to investigate clearly exists based on the circumstances, the defendant can not establish that he/she has determined whether the products are on the market with the consent of the trademark holder,

i.e. he/she has not fulfilled the duty to investigate, the case is a matter of intended violation.

Business Name (Trade Name)

According to Section 22 of the Act on Business Names, a violation of a right to a business name may be punishable by fine. In this respect, the violation of a business name differs essentially from violations of other types of intellectual property rights. Violations of other types of intellectual property rights may be punishable either by fine or by an imprisonment of up to two years depending on the circumstances. When the business name is also a trademark, the violation may also become sanctioned in accordance with the relevant provisions concerning trademarks.

A precondition for the punishability is the intent element of the violation. The person committing the act must be aware of the violated business name, the better right of its proprietor and the factors leading to the confusion of the business names. Based on the foregoing it can be said that only the most obvious violations are punishable. It could, however, also be considered that even if the person would not know with certainty about the confusion, it is enough to constitute a penal liability if it can be considered from the circumstances that the person would have committed the act in any case even if he had been fully aware of the violation.

It must be noted that there is no relevant case law from the Finnish Supreme Court. All the cases relating to business names have been civil cases.

Even if an act of negligence cannot result in a penal liability, it is enough to result in a liability for damages. Damages can be awarded in penal proceedings. Possible claims regarding the validity of the business name must be dealt with prior to deciding the penal case. The court must at the request of the defendant order a stay in the penal proceedings until a decision has been made on the question of validity. If the registration of the violated business name has later been revoked, no sanctions may naturally be sentenced for the alleged violation.

The violation of a right to a business name is a complainant offence. This means that penal proceedings may be initiated only on the initiative the proprietor of the right.

Unfair competition

Since January 1, 1979 Finland has had Unfair Competition Act. The act contains mainly general guidelines for companies regarding good business manner while they carry out their business and marketing activities. According to section 4 of the act obtaining, using or presenting trade secret of other is forbidden. The act is primarily applied in civil cases, but there are also penal stipulations. The act includes stipulations regarding violation against competition proceedings (section 9) and misuse of technical image or instruction (section 10). Sections 9 and 10 of the act will be applied only in case a conduct is not punishable in more severe manner according to any other law, which can be applied to the same conduct. The above violations are punished by fine. Because the violation against competition proceedings regards mainly to marketing law, it is not analyzed more closely in this connection.

In case the violation of trade secret constitutes also copyright infringement, the case is most likely processed as a copyright infringement case. Even though the statistical data in section 2.7. shows that there are annually some penal cases tried as trade secret violation, these cases are rare at least in other instances than courts of first instance.

The Finnish Supreme Court has given one precedent (Supreme Court 1984 II 177) in which the court gave reasons to the crime also being punishable as trade secret violation. The crime was punished also as embezzlement. Because the embezzlement is more severely punished than just trade secret violation according to the Unfair Competition Act, the court ruled that the defendants had been embezzled information from the former employer of the other defendant. According to the reasoning of the case, the defendant had taken docu-

ments from his former employer company. These documents contained information regarding machines, cost calculations, offers and instructions and rules of the defendant's former employer. The other defendant had received and used the said documents in business.

Since the early 1990's there has been provisions regarding trade secrets in Finnish Penal Code. According to the chapter 30 section 5 it is not allowed to obtain or present trade secret of other and according to the same chapter section 6 it is not allowed to misuse or present trade secret of other. The first section is applicable to company's staff and other persons who have access to protected information while the latter section is applicable to staff of other companies and possible distributors of such information. The Finnish Supreme Court has not yet given any precedents in which the defendant would have violated against the above legislation.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal proceeding or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal proceeding while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

In a copyright penal proceeding the list of goods made by experts of right holders identifies the goods and the Penal Judge does not have to rule on the validity of copyright. In case there is a claim in penal proceedings of the validity of copyright protection of the original subject matter, the same judge must be able to decide about the matter. The nature of infringement should affect the assessment of intent in copyright infringements: if the counterfeit is clearly a counterfeit by nature i.e. a clumsy physical counterfeit or if there are for example music files of a famous artist in a web page which clearly does not belong to the online sales place or to the artist or record company and the files are being shared in a non common unlimited copying without conditions like payment).

Due to the different process codes in civil and penal matters the group finds that the invalidation of an intellectual property right must always be ruled in civil proceeding. The penal court must therefore stay the decision of infringement (if not the proceeding itself) until the validity of the title is established. There can be no infringement if there has been no right of title.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the penal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil proceeding, the documents from the penal proceeding and in particular the evidence of the alleged counterfeiting?

The right or the license holder – i.e. the victim – should be the master of the penal proceedings. In all the intellectual property penal matters (as f.ex. Penal Code 49 section 3) it is for the complainant to report the offence for prosecution. This enables the public prosecutor to start the penal case and make demands (summons) for a penal order and also in many cases for the damages in the favor of the complainants.

The public prosecutor can run cases and damages and compensations of copyright holders. However in most cases the right holders take care of their own demands (including the penal order). The documents of civil proceeding can be used in penal proceeding and vice versa. To use same documents has been very useful. It is also possible to run civil and penal proceeding in same time by same basis.

In trademark cases the prosecutors have been willing to run cases on behalf of the right owners only regarding punishment and compensation of legal costs. If damages are claimed, the right holder must present such claims himself and also present the evidence. It is important that the right owner has the power to decide whether the case will be taken to court, because if the prosecutor would have a right of suit independent from the injured party i.e. right owner, it would be too bureaucratic and the injured party could not act independently. Additionally settling the case through reconciliation is absolutely a right of the in-

jured party also in penal proceedings. It is possible to use the documents from the penal proceeding and especially evidence of the alleged counterfeiting in the civil proceeding.

4. *The groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.*

Indeed, taking into account the pioneer character of the question, the AIPPI wishes to profit from the experience of the national and regional groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

A court proceeding is not always the most efficient way to resolve counterfeit cases or other infringement matter. There should also be lighter administrative solutions available, for example in transit cases, in which it is a case of clear counterfeiting and the main objective is to have these products seized and destroyed. For example the Customs should be given the possibility through an administrative decision to destroy pirate products withheld in the Customs, in case the parties marked in the bill of freight do not oppose the destruction in a certain time period.

Requiring that the act "for profit" in a copyright offence case is problematic in on line copyright infringement cases. File sharing "for fun" results in substantial damages to right holders and only reasonable sanctions could minimize that kind of infringements. Also forum shopping in on-line world is problem if the legislation and the enforcement differ in other countries.

ANNEX

List of Intellectual Property Provisions concerning Infringements and Penal Sanctions

TRADE MARK

Provision	Trade Mark Act, Chapter 7, Section 39 Anyone who intentionally infringes the right of the proprietor of a trade symbol protected by this Act shall, unless the act is punishable as an Industrial right offence under Section 2 of Chapter 49 of the Penal Code, be sentenced to a fine for a violation of a right to a trade mark.
Crime title	Violation of a right to a trade mark
Condition for punishability	Intent
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence
Reference provision	Penal Code, Chapter 49, Section 2, Industrial right offence
Compensation provision	Trade Mark Act, Chapter 7, Section 38, Paragraph 2 If the infringement has been deliberate or due to negligence, the aggrieved party shall be entitled to compensation from the defendant for all the damage he has suffered. If the negligence has only been slight, the court may modify the compensation awarded to whatever extent it sees fit.

BUSINESS NAME

Provision	Act on Business Names, Section 22 Anyone who intentionally infringes the right to a business name, shall be sentenced to a fine for violation of a right to a business name.
Crime title	Violation of a right to a business name
Condition for punishability	Intent
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence
Reference provision	
Compensation provision	Act on Business Names, Section 23

A merchant, in whose business intentionally or through negligence another's right to a business name has been violated, shall be liable to compensate the damage caused by the violation. If the negligence is slight, the compensation may be adjusted.

PATENT

Provision	Patent Act, Chapter 9, Section 57, Paragraph 2 Where a person intentionally infringes a patent, he shall, unless the act is punishable as an industrial property right offence under Section 2 of Chapter 49 of the Penal Code, be liable to a fine for a violation of a patent right.
Crime title	Violation of a patent right
Condition for punishability	Intent
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence
Reference provision	Penal Code, Chapter 49, Section 2, Industrial right offence
Compensation provision	Patent Act, Section 58

Any person who intentionally or negligently infringes a patent shall be liable to pay reasonable compensation for the exploitation of the invention and damages for other injury caused by the infringement. In the case of slight negligence, the compensation may be adjusted accordingly.

A person found guilty of patent infringement that is neither intentional nor negligent shall pay compensation for the exploitation of the invention if and to the extent held reasonable.

Compensation proceedings for patent infringement shall only refer to damage during the last five years prior to institution of proceedings. The right to compensation for damage suffered prior to that period shall lapse.

COPYRIGHT

Provision	Copyright Act, Chapter 7, Section 56a A person who (1) wilfully or through gross negligence violates a provision laid down in this Act for the protection of copyright or acts in breach of a direction issued under the second paragraph of Section 41, of a provision of Section 51 or 52 or of a prohibition referred to in the first paragraph of Section 53 or Section 54b; (2) imports into the country a copy of a work for distribution to the public, which copy he knows to have, or has good reason to suspect of having, been produced outside the country under circumstances that in Finland would have incurred liability to punishment under this Act; shall, unless the act is punishable as a copyright offence under Section 1 of Chapter 49 of the Criminal Code, be sentenced to a fine for copyright violation.
Crime title	Copyright violation
Condition for punishability	Intention or gross negligence (Not however making of single copies for private use – Copyright Act Section 56a Paragraph 2)
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence
Reference provision	Penal Code, Chapter 49, Section 1, Copyright offence
Compensation provision	Copyright Act, Section 57 Any person who uses a work in violation of the present Act or a direction given under the second paragraph of Section 41, shall be obliged to pay the author fair compensation for such use.

If the use is made wilfully or through negligence, the infringer shall, also in addition to compensation, pay damages for any other loss, as well as for mental suffering and other injury.

Any person who, otherwise than by using a work, is guilty of an act punishable under Section 1 of Chapter 49 of the Criminal Code, or Section 56a of this Act, shall be obliged to pay the author damages for any loss, mental suffering or other injury caused by the offence.

The provisions of the Damages and Tort Liability Act are also applicable to the damages referred to in the second and third paragraphs above.

REGISTERED DESIGNS

Provision	Registered Designs Act, Chapter 7, Section 35 Where the infringement of a design is intentional, the offender shall, unless the act is punishable as an Industrial right offence under Section 2 of Chapter 49 of the Penal Code, be liable to a fine for violation of the right to a design.
Crime title	Violation of the right to a design
Condition for punishability	Intent
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence
Reference provision	Penal Code, Chapter 49, Section 2, Industrial right offence
Compensation provision	Registered Designs Act, Section 36 Anyone who intentionally or through negligence infringes the right to a design shall pay reasonable compensation for the use of the design, as well as compensation for the further damage caused by the infringement. If the negligence was minimal, the amount of the compensation may be reduced.

Anyone who infringes the right to a design without intention or negligence shall pay compensation for the use of the design, in so far as such compensation may be found reasonable.

Proceedings for compensation on the grounds of infringement of the right to a design shall be instituted within five years from the time when the damage was caused, failing which the right to compensation will be forfeited.

UTILITY MODELS

Provision	Act on Utility Model Rights, Chapter 8, Section 39 Any person who infringes an exclusive right in a utility model right intentionally, shall, unless the act is punishable as an industrial property right offence under Section 2 of Chapter 49 of the Penal Code, be liable to a fine for violation of a utility model right.
Crime title	Violation of a utility model right
Condition for punishability	Intent
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence
Reference provision	Penal Code, Chapter 49, Section 2, Industrial right offence
Compensation provision	Act on Utility Model Rights, Chapter 8, Section 37 Any person who intentionally or negligently infringes a utility model right shall be liable to pay reasonable compensation for the exploitation of the invention, as also compensation for other damages caused by

the infringement. If there is only slight negligence, the compensation may be adjusted accordingly.

A person found guilty of utility model right infringement that is neither intentional nor negligent shall pay compensation for the exploitation of the invention if and to the extent held reasonable.

An action for compensation for utility model right infringement may only be brought with respect to damages suffered during the five years preceding the institution of the action. If an action is not instituted within that period, the right to compensation shall be forfeited

TOPOGRAPHY FOR AN INTEGRATED CIRCUIT

Provision	Act on Exclusive Right to Topography for an Integrated Circuit, Chapter 6, Section 35 A person who intentionally or through gross negligence violates provisions on the protection of a topography in this Act, shall, unless the act is punishable as an Industrial right offence under Section 2 of Chapter 49 of the Penal Code, be sentenced for topography infringement to a fine.
Crime title	Topography infringement
Condition for punishability	Intent or gross negligence
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence (Chapter 6 Section 37)
Reference provision	Reference provision Chapter 6, Section 34 -> Penal Code, Chapter 49, Section 2, Industrial right offence
Compensation provision	Act on Exclusive Right Topography for an Integrated Circuit, Chapter 6, Section 38 A person who intentionally or through gross negligence manufactures an integrated circuit or another part of a topography or distributes or imports a topography in breach of the provisions in this Act, shall be liable to pay a reasonable compensation to the proprietor of the exclusive right and to compensate the damage he has caused.

Compensation or indemnification for infringement of the exclusive right to a topography may be claimed only for the five years preceding the institution of the action for damages.

In addition, the provisions of the Damages Act shall apply as appropriate to the compensation and indemnification referred to in the first Paragraph.

PLANT BREEDER'S RIGHT

Provision	1. Act on Plant Breeder's Right, Chapter 9 Section 34 A person who deliberately infringes the exclusive right referred to in Sections 6, 7 or 8 shall, unless the Act is punishable under Section 2 of Chapter 49 of the Penal Code as an Industrial right offence, be sentenced for infringement of breeders' rights to a fine. 2. Act on Plant Breeder's Right, Chapter 9 Section 35 A person who deliberately or negligently infringes the provisions of Section 22 on the use of a variety denomination shall be sentenced, unless the offence is petty, for misuse of a variety denomination to a fine.
Crime title	1. Infringement of breeders' rights, 2. Misuse of a variety denomination
Condition for punishability	1. Intent, 2. Intent or negligence
Punishment	Fine
Complainant offence/	Complainant offence

subject to public prosecution

Reference provision

Penal Code, Chapter 49, Section 2, Industrial right offence

Compensation provision

Act on Plant Breeder's Right, Chapter 8, Section 31

A person who infringes the breeders' rights or the provisions of Section 22 on the exploitation of the variety denomination, deliberately or negligently, shall be liable to pay damages for the exploitation of the variety and to compensate any other loss caused by the infringement. If the negligence is slight, the amount of the damages may be adjusted.

If the infringement of the breeders' rights or the infringement of the provisions of Section 22 on the exploitation of the variety denomination is not deliberate or negligent, the infringer shall be liable to pay damages only to the extent deemed reasonable.

Compensation for infringement of the breeders' rights or for an infringement of the provisions of Section 22 on the exploitation of the variety denomination may be claimed only for the five years preceding the institution of the action for damages.

If the breeders' rights have been declared null and void by a court decision that is no longer subject to ordinary channels of appeal, no claim for damages may be brought.

In addition to the provisions of this Section on compensation, the provisions of the Damages Act shall apply as appropriate.

COPYRIGHT OFFENCE (PENAL CODE CHAPTER 49 SECTION 1)

A person who for profit and in violation of the Copyright Act and in a manner conducive to causing considerable inconvenience or damage to the rightholder, breaches the right of another to

- (1) a literary or artistic work;
- (2) the performance of a literary or artistic work;
- (3) a record or other device where sound has been recorded;
- (4) a film or other device where moving images have been recorded;
- (5) a television or radio broadcast;
- (6) a register, table, program or another similar work referred to in the Copyright Act and containing the compilation of a lot of information, or a database whose compilation, verification or presentation has required a lot of effort; or (251/1998)
- (7) a photograph

shall be sentenced for a *copyright offence* to a fine or to imprisonment for at most two years.

A person shall also be sentenced for a copyright offence if he/she for profit and in a manner conducive to causing considerable inconvenience or damage to the rightholder, imports for the purpose of dissemination a sample or a copy of a work or photograph, a record, film or other device or a register, table, program or another similar work containing the compilation of a lot of information, or a database whose compilation, verification or presentation has required a lot of effort, as referred to in paragraph (1), while knowing that it has been produced or copied in circumstances under which said production or copying would in Finland be punishable under paragraph (1) or section 56a of the Copyright Act (251/1998).

INDUSTRIAL RIGHT OFFENCE (PENAL CODE CHAPTER 49 SECTION 2)

A person who in violation of the Trademark Act (7/1964), the Patents Act (550/1967), the Registered Designs Act (221/1971), the Act on the Protection of Semiconductor Topographies (32/1991), the Utility Models Act (800/1991) or the Plant Variety Rights Act (789/1992) and in a

manner conducive to causing considerable financial loss to the rightholder, breaches

- (1) the right to a trademark;
- (2) the exclusive right conferred by a patent;
- (3) the right to a registered design;
- (4) the right to a semiconductor topography;
- (5) the right to a utility model; or
- (6) a plant variety right

shall be sentenced for an *industrial right offence* to a fine or to imprisonment for at most two years.

RIGHT TO BRING CHARGES (PENAL CODE CHAPTER 49 SECTION 3)

The public prosecutor shall not bring charges for offences referred to in this chapter, unless the injured party reports it for the bringing of charges or unless a very important public interest requires that charges be brought.

UNFAIR COMPETITION

Provision	1. Infringement of Sections 2 (Misleading Information in Business) and 3 (unfair competition) by wilfull act or gross negligence.
Crime title	2. Infringement of Section 4 (Trade Secret). 1. Violation of fair competition, 2. Misuse of Technical image or Technical Instruction
Condition for punishability	1. Intent or gross negligence, 2. Intent
Punishment	Fine
Complainant offence/ subject to public prosecution	Complainant offence
Reference provision	1. Act on Unfair Competition, Sections 9 – 11

Bericht Q169

im Namen der Deutschen Landesgruppe
von RA Richard CREMER, Frankfurt

**Strafrechtliche Sanktionen bei der Verletzung von Rechten
des geistigen Eigentums**

2. Substantielles Recht

Die Gruppen sind aufgefordert, die augenblicklich in Kraft befindlichen Rechtssysteme ihrer Länder, ausgehend von der Umsetzung strafrechtlicher Sanktionen in bezug auf Rechte geistigen Eigentums zu präsentieren.

Die Bundesrepublik Deutschland hat im Jahre 1990 ihr materielles Strafrecht und ihr Strafprozeßrecht bezüglich der Verletzungen geistigen Eigentums vereinheitlicht. Grundsätzlich gelten für Verletzungen aller Schutzrechte die gleichen Regeln. Abweichungen bestehen nur im Wettbewerbsrecht.

1. Materielles Strafrecht

Jede vorsätzliche Verletzung eines Rechts des geistigen Eigentums ist strafbar (§§ 142 Patentgesetz, 25 Gebrauchsmustergesetz, 10 Halbleiterschutzgesetz, 39 Sortenschutzgesetz, 106 ff. Urheberrechtsgesetz, 14 Geschmacksmustergesetz, 143 Markengesetz). Die Strafrahmen sind einheitlich ausgestaltet. Für das Grunddelikt wird eine Freiheitsstrafe von bis zu drei Jahren oder eine Geldstrafe angedroht. Für den qualifizierten Fall des „gewerbsmäßigen“ Handelns wird eine Freiheitsstrafe von bis zu fünf Jahren oder eine Geldstrafe angedroht.

Weiter ist der Versuch der Schutzrechtsverletzung strafbar.

Tatwerkzeuge und schutzrechtsverletzende Ware können eingezogen werden. Mit der Einziehung wird schutzrechtsverletzende Ware Eigentum des Staates. Dieser darf die Ware jedoch nur dann veräußern, wenn sie keine Schutzrechte mehr verletzt.

Als weitere Nebenfolge der Tat kommt auch eine Abschöpfung des Verletzergewinns (Verfall) durch den Staat in Betracht.

2. Strafprozeßrecht

Zum strafprozessualen Verfahren ist folgendes im allgemeinen zu bemerken:

- a) Bei den einzelnen Grunddelikten führt die Staatsanwaltschaft die Strafverfolgung durch, wenn sie hieran das sogenannte „öffentliche Interesse“ bejaht. Verneint die Staatsanwaltschaft beim Grunddelikt (Freiheitsstrafe bis zu 3 Jahren) im Einzelfall das öffentliche Interesse, verweist sie den Verletzten auf den Weg der sogenannten Privatklage. Der Verletzte übernimmt in diesem Fall die Rolle des Staatsanwalts. Das geschieht wohl eher selten.
- b) Beim Grunddelikt hängt die Strafverfolgung durch die Staatsanwaltschaft außerdem davon ab, dass der Verletzte innerhalb eines Zeitraums von drei Monaten seit Kenntnis von Täter und Tat einen Strafantrag stellt.

Ist die Tat hingegen „gewerbsmäßig“ begangen worden, findet die Strafverfolgung immer von Amts wegen statt. Auch wenn die Strafverfolgung von der Staatsanwaltschaft betrieben wird, kann der verletzte Schutzrechtsinhaber als sogenannter „Nebenkläger“ im Strafverfahren mitwirken.

Selbst wenn er dies nicht tut, stehen ihm im strafprozessualen Ermittlungsverfahren doch eine ganze Reihe von Informationsrechten in seiner Eigenschaft als „Verletzter“ zu. Er kann beispielsweise über seinen Rechtsanwalt Akteneinsicht erhalten. Dies ist sehr bedeutsam, da er sich damit Tatsachenmaterial zur Durchsetzung seiner zivilrechtlichen Ansprüche verschaffen kann.

- c) Je nach Bedeutung des Falls wird die Sache vor dem Amtsgericht oder der Wirtschaftsstrafkammer des Landgerichts verhandelt.

Kleine Fälle können in einem schriftlichen Verfahren beim Amtsgericht, im sogenannten „Strafbefehlsverfahren“, erledigt werden. Hat der Täter „mit geringer Schuld“ gehandelt, kann die Staatsanwaltschaft das Verfahren ohne Geldbusse oder gegen Zahlung einer Geldbuße (in diesem Fall mit Zustimmung des Gerichts) einstellen. Im späteren Verfahren kann dann das Strafgericht mit Einwilligung der Staatsanwaltschaft diese Rechtsfolgen aussprechen.

Die generelle deutsche Gerichtsorganisation nimmt in unterschiedlicher Weise auf das besondere Fachwissen, welches bei der Entscheidung von Streitigkeiten auf dem Gebiet des geistigen Eigentums erforderlich ist, Rücksicht. Dies geschieht zum Teil in recht komplizierter und nicht in allen Bundesländern völlig einheitlicher Weise. Die Schilderung kann daher nur auszugsweise und verkürzt erfolgen.

- aa) Der öffentlich-rechtliche Rechtsweg vom deutschen Patent- und Markenamt führt zu einem öffentlich-rechtlichen Spezialgericht, dem Bundespatentgericht, von diesem zum Bundesgerichtshof. Die entscheidungsbefugten Beamten und Richter sind hochgradig spezialisiert und haben vielfach auch eine (zum Teil vom Gesetz vorgeschriebene) technische Ausbildung.

- bb) Von Ausnahmen abgesehen werden Zivilrechtsstreitigkeiten auf den Rechtsgebieten des geistigen Eigentums vor den Landgerichten und Oberlandesgerichten und in III. Instanz vor dem Bundesgerichtshof geführt. Für die Landgerichte und Oberlandesgerichte sind die einzelnen Bundesländer verantwortlich. Jedes Bundesland hat die Möglichkeit, Angelegenheiten des gewerblichen Rechtsschutzes nur einem oder mehreren (von meist zahlreichen) Landgerichten bzw. Oberlandesgerichten zuzuweisen. Hiervon haben die meisten Bundesländer – in unterschiedlichem Umfang – Gebrauch gemacht, so daß schon in I. Instanz in der Praxis eine vorteilhafte starke Spezialisierung besteht. Auch in der Berufungsinstanz sind meist spezialisierte Senate bei einzelnen Berufungsgerichten für die Angelegenheiten des gewerblichen Rechtsschutzes zuständig. Beim Bundesgerichtshof sind wiederum die Angelegenheiten des gewerblichen Rechtsschutzes bei zwei Senaten konzentriert.

- cc) Eine solche fachliche Konzentration gibt es leider bei der Strafrechtspflege auf dem Gebiet des gewerblichen Rechtsschutzes nicht. Ob in I. Instanz das Amtsgericht (mit einem Berufsrichter, der in bestimmten Fällen zwei Laienrichter als beisitzende "Schöffen" haben kann) oder in II. Instanz die Wirtschaftsstrafkammer des Landgerichts zuständig ist, entscheidet sich im wesentlichen nach der voraussichtlichen Höhe der Strafe, welche in Betracht kommt. Die Amtsgerichte können Freiheitsstrafen von bis zu vier Jahren verhängen. Da die Höchstfreiheitsstrafe bei Delikten des gewerblichen Rechtsschutzes nur fünf Jahre beträgt, reichen die Staatsanwaltschaften

meistens die Anklagen bei den Amtsgerichten ein. Dieses System führt dann dazu, daß bei den Amtsgerichten eingereichte Strafanklagen zu Verurteilungen von höchstens vier Jahren Freiheitsstrafen führen können. Regelmäßig fallen auch - in größeren Fällen - die Verurteilungen niedriger aus.

Strafprozessual besteht insoweit nur ein geringer Anreiz für die Staatsanwaltschaft, die Sache beim Landgericht, welches die Höchstfreiheitsstrafe von fünf Jahren verhängen kann, anzuklagen. Das Verfahren vor einer Strafkammer des Landgerichts (drei Berufsrichter, zwei Laienrichter) ist erheblich aufwendiger.

Eine Anklage beim Landgericht mit erhöhter Strafgewalt wird also für die Staatsanwaltschaft praktisch erst dann „interessant“, wenn der Täter neben der Schutzrechtsverletzung noch gegen andere Strafvorschriften mit höherer Strafandrohung (z. B. Steuerhinterziehung - Freiheitsstrafe in bestimmten Fällen bis zu zehn Jahren) verstoßen hat.

Praktisch gesehen führt also die deutsche Gerichtsorganisation auf dem Gebiet der Strafrechtspflege häufig dazu, daß die Höchststrafe von fünf Jahren theoretisch bleibt.

- dd) Ob die Staatsanwaltschaft Anklage beim Amtsgericht oder beim Landgericht erhebt, hat auch Auswirkungen auf die später möglichen Rechtsmittel.

Gegen die Urteile der Amtsgerichte gibt es die Berufung zum Landgericht. Gegen diese Berufung ist dann Revision zum Oberlandesgericht möglich.

Gegen die erstinstanzlichen Urteile der Landgerichte (wenn bei diesem Anklage erhoben ist) gibt es nur die Revision zum Bundesgerichtshof. Da wie gesagt in Schutzrechtsverletzungsfällen nur selten Anklage zum Landgericht erhoben wird, sind demzufolge auch strafrechtliche Entscheidungen des Bundesgerichtshofs in Schutzrechtsverletzungsfällen selten.

3. Verknüpfungen von Strafrecht und Zivilrecht

Das deutsche Rechtssystem verknüpft in verschiedener Weise auch auf dem Gebiet des gewerblichen Rechtsschutzes Zivilrecht und Strafrecht. Dies soll einerseits dem verletzten Schutzrechtsinhaber helfen, andererseits aber in bestimmten Fällen auch den Verletzer vor „doppelter Inanspruchnahme“ auf wirtschaftlichem Gebiet schützen.

- a) Nach §§ 73ff. Strafgesetzbuch kann das Strafgericht den Verfall des Werts des Erlangten anordnen. Dies geschieht dann nicht, wenn das Erlangte dazu dienen soll, den verletzten Schutzrechtsinhaber zu entschädigen. Nach deutschem Zivilrecht hat der verletzte Schutzrechtsinhaber nämlich beispielsweise einen Anspruch auf Herausgabe des sogenannten Verletzergewinns. Sichergestellt ist also, daß der Verletzergewinn nicht beim Täter verbleibt, sondern entweder dem Staat oder dem Schutzrechtsinhaber zukommt. Vorrang hierbei hat der Schutzrechtsinhaber. Der Täter soll allerdings nicht zweimal belastet werden. Er muß den Verletzergewinn also nicht „doppelt“ an Staat und Schutzrechtsinhaber herausgeben.
- b) Schutzrechtsverletzende Ware und die zu ihrer Herstellung ausschließlich bestimmten Vorrichtungen können eingezogen werden. Sie werden dann Eigentum des Staats. Die Einziehung schutzrechtsverletzender Ware unterbleibt, wenn der Schutzrechtsinhaber sie selbst aufgrund seiner eigenen zivilrechtlichen Vernichtungsansprüche vernichten lassen will (§§ 74 ff. Strafgesetzbuch).

- c) Bemüht sich der Täter ernsthaft um Schadensersatz für den verletzten Schutzrechtsinhaber, kann das Strafgericht die Strafe deswegen mildern oder in bestimmten Fällen (wenn eine Freiheitsstrafe von nicht mehr als einem Jahr verwirkt wäre) sogar ganz von Strafe absehen (§ 46a Strafgesetzbuch).
- d) Auf Antrag des Verletzten kann das Strafgericht auch die Veröffentlichung des Urteils anordnen, wenn der Verletzte hieran ein berechtigtes Interesse hat.
- e) Strafprozeßrechtlich kann sich der verletzte Schutzrechtsinhaber der öffentlichen Strafklage des Staatsanwalts als sogenannter Nebenkläger anschließen (§§ 395 ff. Strafprozeßordnung) und den Staatsanwalt unterstützen.
- f) Unabhängig von einer solchen Nebenklage im Strafprozeßrecht stehen dem verletzten Schutzrechtsinhaber nach §§ 406 ff. Strafprozessordnung eine ganze Reihe von Informationsrechten und - besonders wichtig - auch ein Recht auf Akteneinsicht zu. Diese Informationen kann und soll er dann auch im Zivilrechtsstreit beispielsweise bei der Durchsetzung seines Schadensersatzanspruchs nutzen.
- g) In einem sogenannten „Adhäsionsverfahren“ kann der verletzte Schutzrechtsinhaber auch seine Schadensersatzansprüche im Strafverfahren geltend machen. Das Strafgericht muß über diese Ansprüche allerdings nicht entscheiden, wenn sie sich für eine Beurteilung im Strafverfahren nicht eignen. Praktisch wird vor dieser Möglichkeit der „Adhäsion“ wohl nur eher selten Gebrauch gemacht (siehe auch 2.6.1).
- h) Zivilrechtlich hat der Verletzer bestimmte Informationspflichten über Art und Ausmaß seiner Verletzungshandlungen gegenüber dem Schutzrechtsinhaber. Da sich aber niemand im Strafprozeß selbst belasten muß, dürfen solche Angaben des Verletzers nicht gegen seinen Willen im Strafverfahren gegen ihn oder seine Angehörigen verwendet werden. Dies ist in den eingangs dieses Berichts genannten Strafvorschriften jeweils bestimmt.

2.1 *Insbesondere sind die Gruppen aufgefordert, aufzuzeigen, ob die Regelungen des Artikel 61 des TRIPS-Abkommens in ihre nationalen Gesetze integriert wurden, insbesondere im Hinblick auf Marken und Urheberrecht.*

Wie aus dem Obigen ersichtlich ist, erfüllt das Recht der Bundesrepublik Deutschland - von einer Ausnahme abgesehen – die Anforderungen von Art. 61 TRIPS und geht in vielen Aspekten über die Mindestanforderungen von Art. 61 TRIPS hinaus.

Nicht erfüllt ist jedoch die Anforderung von Art. 61 TRIPS, wonach die Strafraumen denjenigen von Delikten vergleichbarer Bedeutung („crimes of a corresponding gravity“) entsprechen sollen. Dies zeigt ein Vergleich mit einigen anderen deutschen Strafvorschriften:

Da vorsätzliche Schutzrechtsverletzungen regelmäßig ein Fall des „Diebstahls geistigen Eigentums“ sind, liegt zunächst ein Vergleich mit den deutschen Strafvorschriften zum Diebstahl (§§ 242, 243 Strafgesetzbuch) nahe. Schon der einfache Diebstahl kann mit Freiheitsstrafe von bis zu fünf Jahren oder mit Geldstrafe bestraft werden (einfache Schutzrechtsverletzung; Freiheitsstrafe bis zu drei Jahren oder Geldstrafe).

Der „gewerbsmäßige“ Diebstahl wird in der Bundesrepublik Deutschland mit Freiheitsstrafe von drei Monaten bis zu zehn Jahren bestraft („gewerbsmäßige“ Schutzrechtsverletzung; Freiheitsstrafe bis zu fünf Jahren).

Schließlich wird nach § 244 Strafgesetzbuch auch der Bandendiebstahl mit Freiheitsstrafe von sechs Monaten bis zu zehn Jahren bestraft. Eine vergleichbare Spezialvorschrift für Schutzrechtsverletzer, welche als Bande tätig sind, existiert im deutschen Recht nicht.

Weiter liegt nahe ein Vergleich der Schutzrechtsverletzung mit dem Straftatbestand der Hehlerei (§§ 259 ff. Strafgesetzbuch). Schon die einfache Hehlerei wird mit Freiheitsstrafe von bis zu fünf Jahren oder mit Geldstrafe bestraft, die „gewerbsmäßige“ Hehlerei oder auch die Bandenhehlerei mit Freiheitsstrafe von sechs Monaten bis zu zehn Jahren. Wer schutzrechtsverletzende Ware ankauft, um sie dauerhaft zu verwenden oder weiter zu veräußern, handelt letztlich wie ein „Hehler“ gestohlenen geistigen Eigentums.

Gegenüber diesen vergleichbaren Delikten ist der Schutzrechtsverletzer deutlich privilegiert. Historisch gesehen liegt dies daran, daß (vom Urheberrecht einmal abgesehen) bis 1990 die Höchstfreiheitsstrafe bei Schutzrechtsverletzungen nur sechs Monate betrug. Der historische Gesetzgeber des Jahres 1990 hat sich gescheut, die Höchstfreiheitsstrafe von sechs Monaten sofort auf zehn Jahre anzuheben.

2.1.1 Sehen die nationalen Gesetze strafrechtliche Sanktionen für den Fall der Verletzung anderer Rechte geistigen Eigentums, wie Patente, Muster, Wettbewerbsrecht usw. vor?

Das deutsche Recht behandelt wie erwähnt alle Fälle der Schutzrechtsverletzung grundsätzlich gleich.

Auch im Wettbewerbsrecht existiert eine Reihe von Strafvorschriften: Diese dienen ebenfalls dem Schutz geistigen Eigentums oder ähnlicher Rechtspositionen. So kann nach § 17 UWG der Verrat von Geschäfts- oder Betriebsgeheimnissen mit Freiheitsstrafe von bis zu drei Jahren oder mit Geldstrafe, in schweren Fällen mit Freiheitsstrafe von bis zu fünf Jahren oder mit Geldstrafe bestraft werden. Nach § 18 UWG wird mit Freiheitsstrafe bis zu zwei Jahren oder mit Geldstrafe bestraft, wer die ihm im geschäftlichen Verkehr anvertrauten Vorlagen oder Vorschriften technischer Art, insbesondere Zeichnungen, Modelle, Schablonen, Schnitte oder Rezepte, zu Zwecken des Wettbewerbs oder aus Eigennutz unbefugt verwertet oder an jemanden mitteilt. Auch bei diesen Taten ist in der Regel der oben erwähnte Strafantrag des Verletzten erforderlich.

Auch die Verletzung geschützter geographischer Herkunftsangaben oder der entsprechende Versuch ist strafbar. Es kann eine Freiheitsstrafe von bis zu zwei Jahren oder eine Geldstrafe verhängt werden.

Erwähnenswert ist des weiteren noch folgendes:

Grundsätzlich sind die Strafvorschriften in den Gesetzen des geistigen Eigentums Spezialvorschriften im Verhältnis zu „benachbarten“ Tatbeständen des Allgemeinen Strafrechts. Wer zum Beispiel wegen bloßer Markenverletzung bestraft wird, kann zunächst nicht gleichzeitig auch wegen Urkundenfälschung bestraft werden. Das gilt aber dann nicht, wenn der Täter zwecks Täuschung im Rechtsverkehr auf der gefälschten Urkunde nicht nur die gefälschte Marke, sondern noch andere Angaben, die angeblich vom Aussteller der Urkunde stammen, gemacht hat.

Genauso kann beispielsweise derjenige, der andere mittels Vertriebs markenverletzender Ware zusätzlich noch betrügt, auch wegen Betruges bestraft werden. Es ist klar, daß in den beiden genannten Beispielfällen neben die bloße Schutzrechtsverletzung noch weitere Tatbestandselemente – wie im Fall des Betrugs die Täuschung des Abnehmers – treten müssen.

2.2 Die Gruppen sind dazu aufgefordert, die Bedingungen der strafrechtlichen Verantwortlichkeit für Verletzungshandlungen hinsichtlich der Rechte des geistigen Eigentums darzulegen.

Es gelten die gleichen Regeln wie für alle anderen Straftaten.

2.2.1 Und verlangt diese strafrechtliche Haftung eine besondere Voraussetzung der Absicht?

Wegen Schutzrechtsverletzung kann nur bestraft werden, wer mit „Vorsatz“ handelt. Das deutsche Strafrecht unterscheidet zwischen verschiedenen Formen des Vorsatzes – vom finalen Handeln bis hin zum sogenannten „bedingten“ Vorsatz. Auch der Täter, der nur mit diesem „bedingten“ Vorsatz handelt, wird bestraft. Es reicht also aus, daß ein Täter bei seinem Handeln eine Schutzrechtsverletzung für möglich hält (aber dies nicht ganz sicher weiß) und diese Schutzrechtsverletzung bei seinem Handeln billigend in Kauf nimmt. Im Sinne der Fragestellung ist also eine „finale Absicht“ nicht erforderlich.

Umgekehrt: Lediglich fahrlässiges Verhalten wird nicht bestraft.

2.2.2 Wer hat die Beweislast für diese Voraussetzung der Absicht? Wird diese besondere Voraussetzung der Absicht vermutet oder muß sie positiv bewiesen werden?

Im deutschen Strafprozeß müssen immer die Staatsanwaltschaft und das Gericht (bzw. in den oben erwähnten „Privatklage“-Fällen der Verletzte) dem Täter das Vorliegen aller Tatbestandsmerkmale, also hier des Vorsatzes, nachweisen.

Im deutschen Strafprozeßrecht kann Vorsatz oder Absicht des Täters nicht vermutet werden. Der Beweis muß und kann an Hand aller tatsächlichen Umstände des Falls geführt werden.

2.3 Die Gruppen sollen ebenfalls aufzeigen, ob es Unterschiede gibt zwischen Verletzungshandlungen von Rechten geistigen Eigentums im Hinblick auf die zivil- und strafrechtliche Verfolgung.

In objektiver Hinsicht befassen sich das deutsche Zivilrecht und das deutsche Strafrecht mit jeweils den gleichen Verletzungshandlungen.

In subjektiver Hinsicht gilt strafrechtlich das oben Gesagte: Nur der vorsätzlich handelnde Täter wird bestraft.

Nach dem deutschen Zivilrecht des geistigen Eigentums haftet jedoch der vorsätzlich oder fahrlässig handelnde Täter auf Schadensersatz und Auskunft, welche dem Schutzrechtsinhaber die Berechnung seines Schadens ermöglicht.

Auch ohne Verschulden (Vorsatz oder Fahrlässigkeit) haftet der Verletzer dem Schutzrechtsinhaber jedoch zivilrechtlich auf Unterlassung, sogenannte Drittauskunft (Benennung von Lieferanten und gewerblichen Abnehmern sowie auf Angaben über die Menge der bestellten, hergestellten, erhaltenen und ausgelieferten schutzrechtsverletzenden Stücke), auf Vernichtung oder sonstige Beseitigung der schutzrechtsverletzenden Ware sowie auf Herausgabe der ungerechtfertigten Bereicherung.

2.3.1 Die Gruppen sollen aufzeigen, ob tatsächlich zivil- und strafrechtliche Verantwortung für dieselbe Nachahmungshandlung durchgesetzt werden.

In der Praxis hängt dies weitgehend vom Schutzrechtsinhaber ab. Da die Strafverfolgungsbehörden viele Schutzrechtsverletzungen von sich aus nicht ohne weiteres erkennen können (Beispiel: Patentverletzungen), werden sie erst nach einer Strafanzeige des Schutzrechtsinhabers tätig. Es steht also in weiten Bereichen dem Schutzrechtsinhaber frei, ob er strafrechtlich und/oder zivilrechtlich gegen den Verletzer vorgeht.

Anders stellt sich die Lage bei bestimmten typisierten Formen von Marken- und/oder Urheberrechtsverletzungen dar. In den Fällen des Vertriebs raubkopierter bekannter Markenware (man denke nur an gefälschte Uhren) oder nachgeahmter bekannter Merchandise-Artikel ebenso wie beispielsweise beim Vertrieb von raubkopierter Software bekannter Anbieter oder auf dem Gebiet der Audio- oder Videopiraterie werden die Strafverfolgungsbehörden vielfach von sich aus oder gemeinsam mit den Schutzrechtsinhabern tätig. Anstöße zur Strafverfolgung erhalten dann die

deutschen Strafverfolgungsbehörden oft auch von den Zollbehörden nach vorausgegangenen Grenzbeschlagnahmen. Gerade in solchen Fällen gehen die Schutzrechtsinhaber dann oft sowohl strafrechtlich als auch zivilrechtlich gegen die Verletzer vor.

Manche Schutzrechtsinhaber oder auch Verbände von Schutzrechtsinhabern arbeiten mehr oder minder systematisch mit Zoll- und Polizeibehörden zusammen. Sie führen beispielsweise Schulungsmaßnahmen durch. Diese beziehen sich natürlich schwerpunktmäßig auf die Erkennung von schutzrechtsverletzenden Waren. Je eher die Strafverfolgungsbehörden selbständig schutzrechtsverletzende Waren erkennen können, desto eher kommt es auch zu Strafverfahren.

Alle schutzrechtsverletzende Ware in der Bundesrepublik Deutschland kann von den Zollbehörden beschlagnahmt werden. Diese leiten dann häufig von Amts wegen ein Strafverfahren ein.

Umgekehrt sind - wie oben bereits erwähnt - Strafverfahren beispielsweise wegen Patentverletzungen verhältnismäßig selten. Viele Schutzrechtsinhaber scheuen davor zurück, die nicht einschlägig erfahrenen Strafverfolgungsbehörden in solchen Fällen einzuschalten. Das zivilrechtliche Verfahren kann in solchen Fällen schneller sein.

Andererseits nutzen manche Schutzrechtsinhaber bewußt auch den Wege der Strafverfolgung, weil ihnen im strafprozessualen Ermittlungsverfahren als Verletztem die Möglichkeit der Akteneinsicht offensteht. Die beschlagnahmten Unterlagen zeichnen oft ein wirklichkeitsnäheres Bild des Umfangs der Verletzungshandlungen als die zivilrechtlich geschuldete Auskunft des Verletzers.

2.3.2 Sind die Verjährungsfristen für diese Handlungen einerseits im Hinblick auf zivilrechtliche Verfolgung, andererseits im Hinblick auf strafrechtliche Verfolgung identisch?

Die zivilrechtlichen und strafrechtlichen Verjährungsfristen sind nicht identisch. Das deutsche Recht der Verjährung ist sehr kompliziert und kann im nachfolgenden nur unvollständig und in grober Skizze dargestellt werden.

Die strafrechtliche Verjährung bei Straftaten auf dem Gebiet des gewerblichen Rechtsschutzes beträgt nach § 78 Abs. 2 Ziff. 5 Strafgesetzbuch drei Jahre. Nach § 78 a Strafgesetzbuch beginnt die Verjährung, sobald die Tat beendet ist. Tritt ein zum Tatbestand gehörender Erfolg erst später ein, so beginnt die Verjährung mit diesem Zeitpunkt. Die Verjährung kann allerdings durch verschiedene Handlungen von Strafverfolgungsbehörden oder Richtern unterbrochen werden (§ 78 c Strafgesetzbuch). Nach jeder Unterbrechung beginnt die Verjährung von neuem (§ 78 Abs. 3 Strafgesetzbuch). Absolute Verjährung tritt jedoch ein, wenn das Doppelte der gesetzlichen Verjährungszeit, hier also sechs Jahre, verstrichen sind (§ 78 c Abs. 3 Strafgesetzbuch).

Im Zivilrecht trat zum 1. Januar 2002 auch im Hinblick auf die Verjährung im Bereich des gewerblichen Rechtsschutzes eine neue Rechtslage ein. Auch diese kann hier nur unvollständig und in grober Skizze dargestellt werden.

Nach §§ 195, 199 Bürgerliches Gesetzbuch beträgt die regelmäßige Verjährungsfrist drei Jahre und beginnt mit dem Schluß des Jahres, in dem der Anspruch entstanden ist und der Schutzrechtsinhaber von den den Anspruch begründenden Umständen und der Person des Verletzers Kenntnis erlangt oder ohne grobe Fahrlässigkeit erlangen müßte. Ohne Rücksicht auf die Kenntnis oder grob fahrlässige Unkenntnis des Schutzrechtsinhabers verjähren die Ansprüche in zehn Jahren von ihrer Entstehung an.

Rechtskräftig festgestellte Ansprüche verjähren nach § 197 Bürgerliches Gesetzbuch in 30 Jahren.

Die zivilrechtliche Verjährung kann durch Verhandlungen der Parteien über den Anspruch oder durch bestimmte Maßnahmen der Rechtsverfolgung gehemmt werden (§§ 203, 204 Bürgerliches Gesetzbuch). Der Zeitraum, während dessen die Verjährung gehemmt ist, wird in die Verjährungsfristen nicht eingerechnet (§ 209 Bürgerliches Gesetzbuch).

In anderen Fällen beginnt nach § 212 Bürgerliches Gesetzbuch die Verjährung erneut, nämlich dann, wenn der Verletzer gegenüber dem Schutzrechtsinhaber den Anspruch durch Abschlagszahlung, Zinszahlung, Sicherheitsleistung oder in anderer Weise anerkennt oder eine gerichtliche oder behördliche Vollstreckungshandlung vorgenommen oder beantragt wird.

- 2.4 *Die Gruppen sollen ebenfalls aufzeigen, ob ihre nationalen Gesetze eine strafrechtliche Verfolgung gegen juristische Personen für Nachahmungsakte vorsehen.*

Dies ist in der Bundesrepublik Deutschland nicht der Fall.

- 2.5 *Hat das Strafgericht, welches über die strafrechtliche Verantwortung für eine Nachahmungshandlung entscheidet, die Befugnis hinsichtlich der Frage der Validität eines Rechts des geistigen Eigentums zu befinden oder ist diese Würdigung nur Sache der Zivilgerichte?*

Falls das Strafgericht nicht die Befugnis besitzt über die Validität eines Rechtes des geistigen Eigentums zu urteilen und insbesondere nicht den Widerruf auszusprechen, ist es für den Beklagten des strafrechtlichen Verfahrens wegen der Nachahmungshandlung möglich, eine Aussetzung des Verfahrens zu beantragen, um das Zivilgericht oder das Patentamt mit der Beurteilung der Validität des Rechts, das gegen ihn herangeführt wird, zu befassen?

Zu unterscheiden ist nach den einzelnen Schutzrechten:

Bei Schutzrechten, die von der zuständigen Behörde nach Sachprüfung erteilt worden sind (Patent, Sortenschutzrecht, eingetragene Marke) ist auch das Strafgericht an den Bestand des Schutzrechts, welches durch behördlichen, gestaltenden Verwaltungsakt erteilt worden ist, gebunden.

Bei ungeprüften Schutzrechten (Gebrauchsmuster, Urheberrecht, Geschmacksmuster, nicht eingetragene Marke, Handelsname/Firma) muß das Strafgericht als Tatbestandsmerkmal die materielle Wirksamkeit des Schutzrechts feststellen.

Nach § 262 Strafprozeßordnung entscheidet das Strafgericht auch über die Beurteilung eines bürgerlichen Rechtsverhältnisses als Vorfrage, wenn hiervon die Strafbarkeit einer Handlung abhängt. Das Gericht ist jedoch befugt, die Untersuchung auszusetzen und einem der Beteiligten zur Erhebung der Zivilklage eine Frist zu bestimmen oder das Urteil des Zivilgerichts abzuwarten.

Nach den Kommentierungen zu der zitierten Vorschrift gilt dies auch für öffentlichrechtliche Verfahren, also beispielsweise auch für ein Patentnichtigkeitsverfahren vor dem Bundespatentgericht bzw. dem Bundesgerichtshof.

- 2.6 *Die Gruppen sollen ebenfalls aufzeigen, was genau für Sanktionen für Verletzungshandlungen von Rechten geistigen Eigentums von der Strafgesetzgebung ihres Landes vorgesehen sind.*

Siehe die Antwort zu Frage 2.

- 2.6.1 *Sind die Gerichte, die Strafen verhängen, ebenfalls berechtigt, Schadensersatz für Schäden des Opfers von Nachahmungshandlungen zuzusprechen, oder ist dies eine Frage, die nur die Zivilgerichte beschäftigt?*

Der Geschädigte hat auch im Strafverfahren die Möglichkeit, im sogenannten „Adhäsionsverfahren“ Schadensersatzansprüche geltend zu machen. Das Strafgericht kann jedoch frei entscheiden, ob es ein solches Adhäsionsverfahren durchführt oder nicht. Tut es dies nicht, kann der Geschädigte natürlich die Zivilgerichte anrufen.

Eine „informelle“ Möglichkeit der Regelung besteht darüber hinaus beispielsweise in folgendem: In manchen Fällen wird das Verfahren wegen sogenannten „geringen Verschuldens“ ohne rechtskräftige Verurteilung eingestellt. Der Täter muß dann eine Geldbuße zahlen. Das Gericht kann auch die Zahlung der Geldbuße an den Verletzten anordnen und anregen, daß diese Geldbuße auf den Schadensersatzanspruch verrechnet wird.

Ebenso ist es auch möglich, daß – auf Anregung des Verletzten – das Strafgericht anordnet, daß der Täter als Bewährungsaufgabe eine Zahlung an den Verletzten leistet.

- 2.7 *Schließlich sind die Gruppen aufgefordert, alle praktischen Informationen, die sie als nützlich für das Verstehen ihrer Rechtssysteme ansehen, darzulegen und insbesondere die Informationen darzulegen, die die befugte Person, den Strafprozeß einzuleiten, betreffen, die Beweislast für die Verletzungshandlung, die Wahrscheinlichkeit für die Parteien die Verfahren durch einen Vergleich beizulegen etc. betreffen.*

- 2.7.1 *Und die Gruppen sollen ebenfalls die statistischen Daten, falls sie existieren, in bezug auf strafrechtliche Verfahren (Verfahrensdauer, Kosten, Anzahl der Verfahren im Land etc.) darlegen.*

Solche statistischen Daten sind dem Berichtersteller nicht bekannt. Aus seiner eigenen Praxis und derjenigen einer ganzen Reihe von Kollegen weiß er jedoch, daß jährlich sicher einige Tausend Strafverfahren in der Bundesrepublik Deutschland wegen Verletzung von Rechten des geistigen Eigentums geführt werden.

- 2.8 *Zusätzlich sollen die Gruppen die Rolle von technischen Sachverständigen in diesen Strafverfahren beschreiben.*

Und insbesondere sollen sie aufzeigen, ob die Stellungnahmen der technischen Sachverständigen dazu benutzt werden können, um aufzuzeigen, daß die Validität eines Rechts zweifelhaft ist und um die Voraussetzung der Absicht der strafbaren Handlung zu beurteilen.

Nach § 244 Strafprozeßordnung hat das Strafgericht zur Erforschung der Wahrheit die Beweisaufnahme von Amts wegen auf alle Tatsachen und Beweismittel zu erstrecken, die für die Entscheidung von Bedeutung sind. Das Gericht kann also von Amts wegen, ebenso auf Antrag der Staatsanwaltschaft oder des Angeklagten, technische Sachverständige hören.

Nach § 261 Strafprozeßordnung entscheidet das Gericht über das Ergebnis der Beweisaufnahme nach seiner freien, aus dem Inbegriff der Verhandlung geschöpften Überzeugung. In Kombination mit den vorstehend dargestellten Verfahrensregeln ergeben sich also für die deutschen Strafgerichte verschiedene Möglichkeiten sachgerechten Verfahrens und Urteilens:

Hat das Strafgericht beispielsweise Zweifel an der Gültigkeit eines Patents, kann es die Entscheidung des Bundespatentgerichts oder des Bundesgerichtshofs im Patentnichtigkeitsverfahren abwarten. Es kann aber umgekehrt auch die materielle Wirksamkeit des Schutzrechts bejahen.

So kann das Strafgericht auch – siehe oben – dem Verletzer aufgeben, Einspruch gegen ein Patent oder eine entsprechende Nichtigkeitsklage einzureichen. (Dies wird der Verletzer natürlich im eigenen Interesse häufig schon selbst tun.)

2.9 *Schließlich sollen die Gruppen eine allgemeine Stellungnahme hinsichtlich des Interesses an strafrechtlichen Sanktionen für Verletzung von Rechten des geistigen Eigentums abgeben:*

Es besteht ein großes Interesse an strafrechtlicher Sanktionierung.

1. Schutzrechte des geistigen Eigentums sind wertvolle Vermögensgegenstände. Sie verdienen deshalb den gleichen Schutz wie das bürgerlich-rechtliche Sacheigentum oder das sonstige Vermögen.

Es kommt hinzu, daß die Rechte des geistigen Eigentums noch viel leichter beschädigt werden können als beispielsweise das Sacheigentum. Schutzrechte kann man nicht „in einem Banktresor“ verschließen, wohl aber wertvolle Gegenstände des Sacheigentums.

2. Außerdem ist festzustellen, daß Schutzrechtsverletzungen häufig das Zentrum eines Geflechts von strafbaren Handlungen bilden. Eine Patentverletzung kann beispielsweise vom Diebstahl oder der Veruntreuung geschützter Vorlagen (§ 18 UWG) vorbereitet oder begleitet werden. Der Absatz schutzrechtsverletzender Ware erfolgt nicht selten auf betrügerische Weise. Die verantwortlichen Personen von Firmen, die häufig mit schutzrechtsverletzender Ware handeln, begehen auch nicht selten Konkursstraftaten. Keineswegs selten sind auch vorsätzliche Schutzrechtsverletzungen mit Steuerhinterziehung oder Sozialversicherungsbetrug – oder beidem – verbunden.

„Auslöser“ dieser gewissermaßen zusätzlichen Straftaten ist regelmäßig die Schutzrechtsverletzung.

3. Nach deutschem Zivilprozeßrecht muß der Verletzte die Schutzrechtsverletzung im Zivilprozeß beweisen. Hier wird er bisweilen Schwierigkeiten haben, beispielsweise bei Verletzung eines Verfahrenspatents. Besteht jedoch in strafprozessualer Hinsicht ein sogenannter „genügender Tatverdacht“, kann die Staatsanwaltschaft von Amts wegen die Ermittlungen aufnehmen und durchführen. Sie hat erheblich weitergehende Ermittlungs- und Sicherstellungsmöglichkeiten als der Schutzrechtsinhaber.

Nach deutschem Zivilprozeßrecht muß der Verletzte auch die Höhe seines Schadens beweisen. Hierzu ist er regelmäßig auf Auskünfte des Verletzers über den Umfang der Verletzungshandlungen angewiesen. Die Auskünfte des Verletzers sind aber erfahrungsgemäß häufig lückenhaft und unvollständig. Kontrollmöglichkeiten bestehen für den Verletzten nur sehr beschränkt.

Beschlagnahmt hingegen die Staatsanwaltschaft im Strafverfahren die Einkaufs-, Herstellungs- und Lieferunterlagen des Verletzers, kann diese der Verletzte später einsehen. Er kann sich dann ein erheblich besseres Bild vom Schadensvolumen machen. Gerade bei „kriminellen“ Schutzrechtsverletzern ist eine adäquate Sachverhaltsaufklärung oft nur im Strafverfahren möglich.

4. Wie oben zu Frage 2 (Ziff. 3) für das deutsche Recht geschildert wurde, können Verknüpfungen zwischen dem Strafrecht und dem Zivilrecht dem verletzten Schutzrechtsinhaber eine erhebliche Hilfe sein.

3.1 *Die Gruppen sollen Position beziehen, ob es ratsam ist, die strafrechtlichen Sanktionen auf alle Verletzungen der Rechte geistigen Eigentums zu beziehen: Sollen die Strafen auf alle Rechte geistigen Eigentums, einschließlich der Patente, ausgedehnt werden?*

Ja.

Es sei auf die obigen Darlegungen zur Schutzbedürftigkeit des geistigen Eigentums verwiesen. Diese Überlegungen gelten weltweit. Angesichts der viel zitierten Globalisierung des weltweiten Handels sollte es keine strafrechtlichen Oasen für die risikolose Herstellung und Verbreitung schutzrechtsverletzender Waren geben.

- 3.2 *Die Gruppen sind aufgefordert, ihre Erkenntnisse hinsichtlich der Existenz der Voraussetzung der Absicht als Bedingung für die Anwendung strafrechtlicher Verfolgung des Verletzers der Rechte geistigen Eigentums aufzuzeigen.*

Sollte diese Verletzung vorsätzlich sein?

Sollte der Beweis des Vorsatzes aus der Tatsache der Verletzung resultieren oder muß er positiv durch das Opfer der Nachahmung bewiesen werden?

Wie oben dargestellt reicht es nach deutschem Strafrecht aus, daß der Verletzer bedingt vorsätzlich handelt.

Darüber hinaus besteht aber auch ein Bedürfnis, jedenfalls die grob fahrlässige Schutzrechtsverletzung unter Strafe zu stellen. So werden wahrscheinlich Verletzer in Patentverletzungsfällen behaupten, sie hätten das verletzte Patent nicht gekannt. Wenn ihnen diese Einlassung nicht widerlegbar ist, können sie unter Umständen nicht wegen vorsätzlicher Patentverletzung bestraft werden. Jedoch haben sie vielleicht grob ihre Sorgfaltspflichten verletzt. Wenn man beispielsweise zivilrechtliche Maßstäbe aus der deutschen Rechtsprechung übernimmt, sind jedenfalls Hersteller und Importeure verpflichtet, die Schutzrechtssituation vor Aufnahme ihrer Handlungen zu prüfen. Diese Gedanken lassen sich sehr wohl auch in das Strafrecht übertragen, so daß man auch eine Bestrafung wegen fahrlässiger Patentverletzung fordern kann, wenn Prüfungspflichten verletzt sind.

Zu der Frage des Nachweises des Vorsatzes (und wie hier vorgeschlagen auch des Nachweises der Fahrlässigkeit): Nach deutschem Rechtsverständnis muß diesen Nachweis immer das Strafgericht erbringen – siehe oben.

- 3.3 *Sollte das Strafgericht über die Validität des Rechts des geistigen Eigentums, dessen Verletzung im Rahmen des Strafverfahrens vorgeworfen wird, entscheiden oder sollte es die Frage der Würdigung der Validität eines solchen Rechts dem Zivilgericht oder dem Patentamt überlassen und konsequenterweise das Strafverfahren aussetzen und die Entscheidung der geeigneten Autorität hinsichtlich der Validität abwarten?*

Es sei zunächst an die Beantwortung der Frage 2.5 erinnert. Da Strafgerichte im allgemeinen auf dem Gebiet des geistigen Eigentums nicht spezialisiert sind (jedenfalls nicht in der Bundesrepublik Deutschland), sollten sie großzügig von der Möglichkeit Gebrauch machen, die Entscheidungen der Fachgerichte auf zivilrechtlichem oder öffentlichrechtlichem Gebiet abzuwarten. Dies sollte nach einer sorgfältigen Prüfung des Einzelfalls geschehen.

Wenn beispielsweise der Schutzrechtsinhaber Entscheidungen von Fachgerichten vorlegen kann, welche die Validität seines Schutzrechts bereits ergeben, besteht für das Strafgericht kaum ein Bedürfnis zur Aussetzung des Verfahrens, wenn es die Beurteilung durch das Fachgericht nachvollziehen kann.

- 3.4 *Schließlich sollen die Gruppen bestimmen, ob das Opfer der Nachahmungshandlung Herr des Strafverfahrens sein soll, insbesondere es einleiten und beenden soll, z. B. auch durch einen Vergleich?*

Strafrechtspflege ist in den meisten Ländern der Welt mit Recht eine typisch staatliche Aufgabe.

Nach deutschem Rechtsverständnis wird die Entscheidung darüber, ob ein Strafverfahren durchgeführt wird, von der Staatsanwaltschaft und dem Strafgericht gemeinsam getroffen.

Dies ist auch richtig. Ein Strafverfahren dient nicht in erster Linie der Befriedigung der zivilrechtlichen Ansprüche des Verletzten (hierfür gibt es den Zivilrechtsweg). Das Strafrecht schützt auch die Interessen der Allgemeinheit, z. B. durch Abschreckung (was wiederum auch dem Verletzten zugute kommt).

Es kommt hinzu, daß nach der Grundkonzeption der deutschen Strafprozeßordnung zunächst der Staatsanwalt Herr des Verfahrens ist. Ab Zulassung seiner Anklage beim Strafgericht ist für weitere Ermittlungen und für die Durchführung der Hauptverhandlung das Gericht zuständig. Staatsanwalt und Gericht sind aber nicht „Ermittlungshelfer“ des Schutzrechtsinhabers.

Aus diesen Gründen soll das Opfer der Nachahmungshandlung nicht Herr des Strafverfahrens sein. Wenn das Opfer einen Vergleich mit dem Täter schließt, können und werden diese Staatsanwaltschaft und Gericht angemessen berücksichtigen.

Etwas anderes gilt natürlich in den eher kleinen Fällen, in denen der Staatsanwalt wegen Fehlens des öffentlichen Interesses die Strafverfolgung ablehnt und diese dem Opfer als Privatkläger (private prosecutor) überläßt.

3.4.1 Sollte das Opfer der Nachahmung namentlich im Rahmen des Zivilprozesses die Dokumente des Strafverfahrens, insbesondere die Beweise der Nachahmung, benutzen können?

Ja.

Auf die obige Darstellung (Antwort zu Frage 2, dort „3. Verknüpfung von Strafrecht und Zivilrecht“, lit. f) wird verwiesen.

4. Verschiedenes

Die Gruppen sind aufgefordert, alle anderen Aspekte der Frage, die aus der Untersuchung der oben genannten Fragen resultieren und die nicht ausdrücklich in den Arbeitsrichtlinien erwähnt sind, aufzuzeigen.

a) Empfehlenswert sind Strafraum von bis zu zehn Jahren Freiheitsstrafe.

Es werden immer wieder große Fälle der Produktpiraterie bekannt, bei denen Einzeltäter in durchaus industriellem Ausmaß Fälschungen für viele Millionen Euro (zum Teil im Bereich zwischen 50 und 100 Millionen Euro) herstellen. Der Berichterstatter kennt einige solcher Fälle aus dem Bereich der Softwarepiraterie. Trotz solcher illegaler Produktionen wurden die Täter jeweils nur mit einer Freiheitsstrafe von vier Jahren bedacht.

In einem anderen Beispielsfall hatte ein ehemaliger Präsident des Bundesverbands der deutschen Uhrenindustrie (!) über etwa vier Jahre hinweg Cartier-Ringe markenverletzend gefälscht und bei einem Umsatz von etwa € 4,8 Millionen einen illegalen Gewinn von etwa € 3 Millionen erzielt. Angesichts des geringen Strafraums von nur bis zu fünf Jahren Freiheitsstrafe wurde er nur mit einer Freiheitsstrafe von zweieinhalb Jahren belegt. Das reicht nicht aus.

b) In den strafrechtlichen und zivilrechtlichen Tatbeständen sollte – soweit nicht bereits geschehen – klargestellt werden, daß auch der Import und Export sowie der Transit von schutzrechtsverletzender Ware mit Strafe bedroht ist. Dies kann dem internationalen Handel mit schutzrechtsverletzender Ware entgegenwirken.

In Fällen der Grenzbeschlagnahme kann die Zollbehörde dann auch ohne weiteres ein zusätzliches Strafverfahren einleiten.

c) Als vorteilhaft hat sich auch erwiesen, daß beispielsweise im deutschen Markenrecht der Besitz von markenverletzender Ware zu gewerblichen Zwecken

verboten ist. Es gibt immer wieder Fälle, beispielsweise von Zufallsfunden, in denen dem Täter zwar der Besitz schutzrechtsverletzender Ware, aber keine Herstellungs-, Kennzeichnungs- oder Vertriebshandlung nachzuweisen ist.

Wenn ein Staat den Besitz von schutzrechtsverletzender Ware für private Zwecke erlaubt, kann das vorstehend angeregte Verbot des Besitzes schutzrechtsverletzender Ware entsprechend eingeschränkt werden.

- d) Erfahrungsgemäß tarnen sich gerade kleine und mittlere Verletzer gerne als Privatpersonen, jedenfalls in der Bundesrepublik Deutschland. Dies liegt daran, daß in bestimmten Schutzgesetzen wie beispielsweise dem Markengesetz nur Tathandlungen „im geschäftlichen Verkehr“ verboten sind. So kann ein Verletzer beispielsweise ohne weiteres im Internet als angeblicher „Privatverkäufer“ einen markenverletzenden Gegenstand anbieten, aber in Wirklichkeit Dutzende oder Hunderte von Exemplaren ausliefern. Bei den bekannten Auktionsplattformen im Internet wird dies noch dadurch erleichtert, daß der professionelle Anbieter unter einem Pseudonym auftreten und für jedes einzelne Objekt leicht ein anderes Pseudonym wählen kann.

Soweit man überhaupt den Handel mit schutzrechtsverletzender Ware unter Privatpersonen für zulässig erachten will, kann dies durch entsprechender Klarstellungen ausgedrückt werden.

- e) Wie oben bereits dargestellt sollte auch jedenfalls die grob fahrlässige Schutzrechtsverletzung unter Strafe gestellt werden.
- f) Strafprozesse auf dem Gebiet des geistigen Eigentums sollten bei wenigen fachkundigen Gerichten konzentriert werden, soweit dies mit Rücksicht auf die Schwierigkeit des Stoffes als sinnvoll erscheint. Dementsprechend empfiehlt sich auch eine Konzentration der Strafverfolgung in solchen Fällen bei spezialisierten Staatsanwaltschaften.

Zu denken ist etwa an die Strafverfolgung auf dem Gebiet des Patentrechts, des Gebrauchsmusterrechts, des Halbleiterschutzrechts, des Sortenschutzrechts, des Geschmacksmusterrechts und jedenfalls bestimmter Teilbereiche des Urheberrechts, soweit dies eine besondere Sachprüfung zur Frage der künstlerischen Gestaltungshöhe etc. voraussetzt.

Umgekehrt erscheint eine solche Konzentration bei den „herkömmlichen“ Markendelikten, aber auch im Bereich von Audio- und Videopiraterie nicht unbedingt als erforderlich. In diesen Fällen sind vom Gericht Schutzvoraussetzungen und Nachahmungstatbestand im allgemeinen leicht zu klären.

Zusammenfassung

1. Nach dem Recht der Bundesrepublik Deutschland genießen alle Gegenstände des gewerblichen Rechtsschutzes und Urheberrechts strafrechtlichen Schutz gegen vorsätzliche Verletzungen. Regelmäßig ist schon der Versuch einer vorsätzlichen Schutzrechtsverletzung strafbar. Die Höchstfreiheitsstrafe beträgt fünf Jahre, dies im Fall einer gewerbsmäßigen Begehung.
2. Zweifelhaft ist, ob die Höchstfreiheitsstrafe von fünf Jahren der Vorschrift von Art. 61 TRIPS entspricht, wonach diese Strafe derjenigen von Delikten vergleichbarer Bedeutung entsprechen soll. Im Fall gewerbsmäßigen Diebstahls beträgt in Deutschland die Freiheitsstrafe beispielsweise bis zu zehn Jahren. Tatsächlich zeigen auch Fälle mit sehr großem Verletzungsumfang, dass eine Freiheitsstrafe von (in der Regel weniger als) fünf Jahren nicht immer angemessen ist.

3. Es ist erwägenswert, auch grobfahrlässige Schutzrechtsverletzungen mit Strafe zu bedrohen.
4. Nach deutschem Recht hat der Schutzrechtsinhaber als Verletzter im Strafverfahren wichtige Ansprüche auf Information und auf Mitwirkung. Er kann durch seinen Rechtsanwalt Einsicht in die Akten nehmen und die gewonnenen Erkenntnisse zur Durchsetzung seiner zivilrechtlichen Ansprüche nutzen. Er kann im Strafverfahren auch als sogenannter „Nebenkläger“ neben dem Staatsanwalt auftreten und diesen durch seine auf dem Gebiet des gewerblichen Rechtsschutzes und Urheberrechts erfahrenen Rechtsanwälte unterstützen lassen.

Letzteres kann ein erheblicher Vorteil sein, weil Staatsanwaltschaften und Strafgerichte häufig auf dem Gebiet des gewerblichen Rechtsschutzes nicht vollständig ausgebildet sind.

5. Eine weitere wertvolle Verbindung zwischen deutschem Strafrecht und Zivilrecht auf dem Gebiet des gewerblichen Rechtsschutzes besteht darin, dass das Strafgericht das Verhalten des Verletzers im Hinblick auf Schadensersatzleistungen strafmildernd berücksichtigen kann. Gerade in Fällen mit größerem Schadensvolumen kann der strafrechtliche Druck den Verletzer bewegen, eine faire Lösung der Schadensersatzfrage zu akzeptieren.

Summary

1. According to the law of the Federal Republic of Germany all subject matters of intellectual and industrial property rights are protected against intentional infringements by criminal law. Even an attempt at an intentional infringement of such a right is regularly considered a criminal offense. The maximum penalty is a prison sentence of five years, which may be pronounced if the act was committed in a professional manner.
2. It is doubtful whether the maximum prison sentence of five years is in accordance with paragraph 61 of the TRIPS, which stipulates that this penalty shall be consistent with the penalties for offences of a comparable magnitude. For example professional larceny can be punished by a prison sentence of up to ten years in Germany. In fact cases of infringements on an extremely large scale prove that a prison sentence of (usually less than) five years is not always adequate.
3. A point to be considered is whether infringements of intellectual and industrial property rights by gross negligence should also be made a punishable offence.
4. The German law concedes important rights of information and participation in the court proceedings to the aggrieved party, i.e. the holder of the intellectual or industrial property right. He may inspect the records (or have them inspected by his lawyer) and use the findings to assert his claims under private law. Furthermore he may participate in the court proceedings in the role of a so-called “co-plaintiff” and let his lawyers, which are more experienced in the area of intellectual and industrial property rights, act for the public prosecutor.

This can be a substantial advantage, because the public prosecutors and criminal courts are often not fully trained in the area of industrial property rights.

5. A further valuable link between the German criminal and private law with regard to the protection of industrial property rights is the fact that the criminal court judge favorably considers the attitude of the infringer in respect of compensation for damage. Thus, particularly in cases with a larger amount of damage the pressure of the criminal law can induce the infringer to agree to a fair arrangement regarding compensation for damage.

Résumé

1. Conformément au droit en vigueur en République fédérale d'Allemagne, tous les objets soumis au droit de la propriété commerciale et au droit d'auteur jouissent d'une protection relevant du droit pénal contre toute violation intentionnelle. La peine d'emprisonnement maximale est de cinq ans, ceci dans le cas d'un acte commis au niveau commercial.
2. On peut se demander si la peine d'emprisonnement maximale de cinq ans correspond à la prescription de l'article 61 de l'ADPIC qui dit que cette peine doit correspondre au niveau des peines appliquées pour des délits de gravité correspondante. Dans le cas d'un vol au niveau commercial, la peine d'emprisonnement en Allemagne peut aller par exemple jusqu'à dix ans. En effet, des cas de délit de grande envergure démontrent également qu'une peine d'emprisonnement de (en règle générale moins de) cinq ans n'est plus appropriée.
3. Il est évoqué de menacer d'une peine les délits commis contre la propriété commerciale dus à une négligence grossière.
4. Conformément au droit allemand, le titulaire d'un droit de propriété commerciale, lorsqu'il est la partie lésée, peut avoir recours à des droits importants en matière d'information et de collaboration lors d'une procédure pénale. Il peut consulter les dossiers (en règle générale par l'intermédiaire de son avocat) et utiliser les constatations faites pour faire valoir ses exigences en matière de droit civil. Lors de la procédure pénale, il peut également se constituer partie civile à côté du procureur de la république et se faire représenter par ses avocats expérimentés dans le domaine du droit de la propriété commerciale et du droit d'auteur.

Ce dernier point peut représenter un avantage important car, souvent, les parquets et les tribunaux pénaux ne sont pas entièrement formés dans le domaine du droit de la propriété commerciale.

5. Un autre lien précieux entre le droit pénal et le droit civil en Allemagne dans le domaine du droit de la propriété commerciale est que le juge considère le comportement de la partie contrevenante avec des circonstances atténuantes en ce qui concerne les dommages et intérêts. Et particulièrement dans les cas où les dommages sont importants, la pression de droit pénal peut amener la partie contrevenante à accepter une solution honnête de la question des dommages et intérêts.

Report Q169

in the name of the Hungarian Group prepared by
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Criminal law sanctions with regard to the infringement of intellectual property rights

2. Substantive law

Hungarian legislation on the penal sanctions for infringement of the intellectual property rights

2.1 *The groups are invited to indicate if the provisions of Article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

In the course of the amendment of Act IV of 1978 on the Penal Code, the requirements set forth in Article 61 of the TRIPS Agreement have been fulfilled and the acts described in TRIPS are considered under Hungarian law as crimes (misdemeanor offenses or felonies) relating to both trademarks and copyright.

In addition to the minimal requirements set forth in Article 61 of the TRIPS Agreement, the Hungarian Parliament introduced criminal sanctions not only against copyright piracy and wilful trademark counterfeiting but also against infringements of rights in patents, utility models, industrial designs, layout-designs (topographies) of integrated circuits and geographical indications, and against unfair trade practices (in other words, not only piracy type acts as set forth in TRIPS).

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights*

Please find below the legal definitions and respective sanction of crimes relating to the protection of intellectual property rights.

Section 329/A - Infringement of Copyright and Related Rights

- (1) A person who infringes a right of the author of a literary, scientific or artistic creation relating to such work, a right of a performing artist relating to his performance, a right of a producer of a sound recording relating to his sound recording, a right of a radio or television organization relating to its program, or a right of the producer of a motion picture relating to such work, for the purpose of gaining profits or thereby causing financial injury, commits a misdemeanor offense and shall be punishable by imprisonment of up to two years, community service, or shall be subject to a fine.
- (2) The punishment shall be imprisonment of up to three years for a felony, if the infringement of copyright or related rights:

- a) causes substantial financial injury¹,
 - c) is committed for commercial purposes.
- (3) The punishment shall be:
- a) imprisonment of up to five years, if the infringement of copyright or related rights results in particularly considerable financial injury,
 - b) imprisonment between two to eight years, if the infringement of copyright or related rights results in particularly substantial financial injury.
- (4) A person who negligently commits an infringement of copyright or related rights shall be punished for a misdemeanor offense by imprisonment of up to one year, community service, or shall be subject to a fine.

Section 329/B - Circumvention of Technological Measures for the Protection of Copyright and Related Rights

- (1) A person who:
- a) manufactures or produces,
 - b) furnishes, distributes or markets any instrument, product, equipment and/or accessory for the circumvention of the technological measures defined in the Copyright Act instituted for the protection of copyright and related rights commits a misdemeanor offense and shall be punishable by imprisonment of up to two years, community service, or shall be subject to a fine.
- (2) A person who conveys economic, technical and/or organizational information to another person for the purpose of and as necessary for the circumvention of technological measures instituted for the protection of copyright and related rights shall be punishable as set forth in Subsection (1) above.
- (3) The punishment shall be imprisonment of up to three years for a felony, if the circumvention of technological measures instituted for the protection of copyright and related rights is committed for commercial purposes.
- (4) A person implicated in the offense described in Paragraph a) of Subsection (1) above shall not be punishable if he/she voluntarily confesses to the authorities his involvement in the manufacture or production of any instrument, product, equipment and/or accessory intended for the circumvention of the technological measures instituted for the protection of copyright and related rights prior to the authorities gaining knowledge of such, and if surrenders such manufactured and produced objects to the authorities, and if provides information concerning any other individuals participating in manufacture or production.

Section 329/C - Falsifying Data Related to Copyright Management

A person who, for pecuniary gain, unlawfully removes or falsifies any data or information - defined as such in the Copyright Act - and published in connection with the use of a work or performance of another person that is protected by copyright or related rights, commits a misdemeanor offense and shall be punished by imprisonment of up to two years, community service, or subject to a fine.

¹ According to the definitions set forth in Section 138/A of the Penal Code, the amount of damages or pecuniary injury shall be construed as:

- a) minor, if more than ten thousand but less than two hundred thousand HUF,
- b) considerable, if more than two hundred thousand but less than two million HUF,
- c) substantial, if more than two million but less than fifty million HUF,
- d) particularly considerable, if more than fifty million but less than five hundred million HUF,
- e) particularly substantial, if more than five hundred million HUF

Section 329/D - Violation of Industrial Property Rights

- (1) A person who violates the rights of the holder in a patent, utility model, industrial design, topography, trademark or geographical indication by imitating or copying the protected subject matter, and thereby causes financial injury, commits a misdemeanor offense and shall be punished by imprisonment of up to two years, community service, or subject to a fine.
- (2) The punishment offense shall be imprisonment of up to three years for a felony, if the violation of industrial property rights:
 - a) causes substantial financial injury,
 - b) is committed for commercial purposes.
- (3) The punishment shall be:
 - a) imprisonment of up to five years, if the violation of industrial property rights results in particularly considerable financial injury,
 - b) imprisonment between two to eight years, if the violation of industrial property rights results in particularly substantial financial injury.

Section 296 - False Marking of Goods

Any person who produces a product with distinctive appearance, packaging, labelling or name, from which a competitor or his product having distinctive features can be recognized, and who does so without the consent of such competitor, or who acquires such product for the purpose of placing it on the market, commits a felony and shall be punished with imprisonment of up to three years.

Section 296/A - Misleading of Consumer

- (1) Any person who, in respect of any essential feature of a product, publicly states false facts, or true facts in a deceptive way, or provides deceptive information on any essential feature of the product for the purpose of rendering such more desirable, commits a misdemeanor offense and shall be punished with imprisonment of up to two years, community service or subject to a fine.
- (2) *For the purposes of subsection (1), the following shall constitute the essential features of goods: their composition, usability, impact on health and the environment, as well as their treatment, origin, whether they meet legal requirements, the national standards or the customary requirements for the goods, as well as where the utilization of the goods requires the satisfaction of conditions essentially differing from the customary ones.*
- (3) For the purposes of subsection (1), the opportunity for winning, or any other advantageous outcome promised after the purchase of the goods, shall also constitute an essential feature of the goods.

Section 300 - Infringement of Business Secret

- (1) *The person, who acquires, uses or publishes unlawfully a business secret for profit-making purposes or thereby causing a disadvantage to another person, commits a felony, and shall be punished with imprisonment of up to three years.*
- (2) *For the purposes of Subsection (1), any fact, information, solution or data, connected to economic activities, the secrecy of which falls in the reasonable interests of the entitled party, provided that such party has taken the measures necessary in the interest of maintaining the confidentiality of such, shall be deemed as a business secret.*

And in particular, does the penal liability require a special intentional element?

Under the Hungarian law, the above crimes can be committed only intentionally, except the crime of infringement of copyright and related rights which is punishable even if committed negligently and resulting in damages.

Who has the burden of proof of the intentional element?

In the course of the criminal procedure, the public prosecutor has to prove the occurrence of all elements of the crime, including *mens rea* (culpability).

Is the special intentional element supposed or must it be proven positively?

Under Hungarian law, the intentional element is not presumed, it must be proven positively.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liabilities.*

The groups must indicate if the civil and penal liabilities are, in fact, likely to be engaged for the same acts of counterfeiting.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

Relating to the basis of the civil and criminal liabilities and the respective sanctions, these are the main differences:

a) The basis of the civil liability

The basis of the civil law sanctions (see Section b/ below) is the realization of the unlawful (infringing) behaviour defined in the respective legal norms. Contrary to criminal liability, the civil law sanctions are based on an objective basis without any requirement of intention, negligence or fault.

However, with respect to compensation of damages arising from the infringement, the infringer shall be absolved of liability if he proves that he acted in such a way as might be reasonable in the given situation, that is, he acted without fault.

b) Possible sanctions imposed on the basis of the applicable civil procedure rules:

- court decision establishing that infringement occurred;
- ordering to cease infringement and restrain from further infringement;
- the infringing party shall provide satisfaction in a public statement or in another appropriate manner,
- the infringing party shall provide information and data on parties taking part in the manufacture of and trade in goods or performance of services which constitute infringement;
- restitution of the economic profits achieved through infringement;
- seizure and destruction of those assets and materials used exclusively or primarily in the infringement, as well as of the goods produced by the infringer; and
- claim for damages in accordance with the liability rules under civil law.

c) Legal basis and sanctions of penal liability

Relating to the legal basis of penal liability and sanctions, we refer to crimes set forth in Section 2.2. These crimes can be committed only intentionally (except the infringement of copyright and related rights which are punishable even if committed negligently (Section 329/A (4) of the Penal Code).

The following sanctions may be imposed: imprisonment, community service, fine, confiscation of the object used for committing the crime or originating from the criminal act.

d) Statute of limitation

The statute of limitation for civil law claims is 5 years. However, in respect of damages caused by the commission of a crime, the statute of limitation of a claim for damages shall not expire - even after five years - as long as the crime remains punishable under the applicable criminal law.

The statute of limitation of punishability of the crime is equal to the maximum period of punishment, but at least three years.

For example, the maximum period of punishment for the infringement of copyright or related rights or industrial property rights is 8 years, if it caused particularly substantial financial injury.

Therefore, the statute of limitation for the infringement of intellectual property rights amounts to between 3 to 8 years depending on the nature of the crime.

2.4 *The Groups must also indicate if their national laws provide the penal liability against a legal moral person for facts of counterfeiting*

Under Hungarian law, no criminal procedure can be conducted against legal persons or entities, only against natural persons.

2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

The penal court ruling on the criminal punishment for counterfeiting does not have competence to decide on the validity of intellectual property rights. Relating to industrial property rights, the issue of validity falls under the competence of the Hungarian Patent Office and civil law courts; relating to copyright, under the competence of the civil law courts.

Pursuant to the applicable provisions relating to criminal procedures, the criminal court may suspend the procedure if its decision relating to the act committed by the accused person depends on a preliminary issue (i.e., the validity of the intellectual property right) which falls under the competence of another court or authority. In such a case, the accused person may request the suspension of the procedure.

The criminal court may suspend the criminal procedure until the final and binding decision rendered in the civil procedure, and if such procedure is not pending, the criminal court may call upon the accused person to commence such procedure within a certain period of time. Should the accused person not commence such procedure by the given deadline, the criminal procedure shall be continued.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

Relating to the sanctions for the infringement of intellectual property rights, we refer to the answer given to question 2.2.

In the course of a criminal procedure, civil law claims can also be enforced.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

The criminal sanctions against the infringement of copyright and industrial property rights were introduced by Act CXX of 1999 on the Amendment of Act IV of 1978 on the Penal Code which entered into force on March 1, 2000.

Therefore, there are neither statistical data nor any court practice available relating to the application of these rules.

Under Hungarian law, the prerequisite to the commencement of the criminal procedure is that the competent authorities investigating the case shall start and carry out the investigation. After the finalization of the investigation, the public prosecutor shall decide whether charges will be brought. Before the court, the public prosecutor shall present the charges and prove the occurrence of the acts set forth in the charge.

As a consequence of this structure, there is no possibility that the parties make a settlement in the course of the criminal procedure.

2.8 *The role of the technical experts in this penal procedure.*

The groups are also invited to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offense.

In the course of the criminal procedure, both the investigating authorities and the court may decide to involve a technical expert in the fact finding procedure.

The technical expert's opinion shall be necessary to establish as to whether the product produced by or the procedure used by the accused person falls under the scope of the claims of the patents.

The technical expert's opinion may also provide certain information relating to the intentional element of the accused person's acts.

The ascertaining of the validity of the industrial property rights is outside of the competence of the criminal court, therefore, in this respect there is no need to obtain a technical expert's opinion.

2.9 *The groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

The creation of intellectual property is generally a result of both significant intellectual inventive activity and the use of substantial material resources. With respect to the potential for long-lasting litigation, the civil law sanctions may not provide for effective protection, in particular, in cases of intentional infringements on a broad scale. During any prolonged litigation, the defendant would have the possibility to deprive the assets which are the subject of the damages claim of the aggrieved person. Therefore, the possible criminal procedure against persons committing an infringement may serve the purposes of general prevention and the criminal sanctions may have the effect to deter any future infringement.

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of an harmonisation at the international level.

The requirements set forth in Article 61 of the TRIPS Agreement may serve as a basis for the international harmonization of legal rules relating to criminal sanctions against the infringement of intellectual property rights. Therefore, Member States should ensure protection through criminal sanctions against wilful trademark counterfeiting and copyright piracy on a commercial scale and may provide criminal sanctions against other infringements of intellectual property rights committed wilfully and on a commercial scale.

With respect to the different types of intellectual property rights, the relevant international conventions define basically in a harmonized way the act constituting infringements of patent rights, trademarks, copyrights, etc.

The criminal liability should be defined inevitably in conformity with civil law liability and within the scope of civil law liability, however, within a narrower sphere. Criminal liability may be established only in case of *mens rea* (having the requisite criminal intent). The civil law sanctions and the criminal sanctions must be separated.

Civil law sanctions shall be imposed on the basis of committing the infringement, irrespective to the extent of the harm caused by the infringement or its intentional nature.

In the course of the international harmonization of criminal law rules, criminal sanctions should be imposed by the states only within the above scope against infringing acts significantly harmful to the society, namely, which are (i) on a commercial scale, (ii) wilful and (iii) constitute *prima facie* infringement.

In the course of such harmonization, special attention should be given to the circumstance that the validity and extent of the infringed rights, that is the preliminary issue of criminal liability, if it is disputed by the accused person, shall be ascertained by the competent patent office or civil courts and not in the course of the criminal procedure.

Please find below certain examples:

- in case of infringement of copyright or related rights, the infringement may arise from the breach of a licencing agreement previously concluded with the rightowner, and in such a case it constitutes a civil law case;
- in case of infringement of a trademark right, the existence of trademark protection may be disputed, i.e. on the basis of the lack of use or degeneration;
- in case of patents, the accused person may challenge the validity of the patent protection and extent of the claims of the patent, or he may refer to the right of prior use.

In such cases, the accused party - in the course of defending himself against the charge - shall have the possibility to commence the procedure for the cancellation of the trademark, revocation of the patent, or refer to the prior use.

The harmonization / unification of legal regulations should stipulate that the criminal courts shall suspend the criminal procedure until the decision of the competent patent offices or civil courts relating to such preliminary issues. With respect to the special nature of industrial property rights, if the accused party challenges the validity or the scope of the protection, exclusively the competent authorities and civil courts should rule on the validity and scope of protection.

Further, the international harmonization shall provide for establishing criminal liability of legal entities. Infringements on a considerable scale are usually committed by legal entities and such receive the profits therefrom. Therefore, it seems to be justified that criminal sanctions should be imposed on legal entities which significantly exceed the potential profit arising from the infringement and such sanctions would deter them from any future infringement. Such measure is also justified by the fact that in several cases, the person responsible for the infringement within the corporate structure can hardly be established due to the

complex decision-making mechanism of the company and fluctuation of managers and employees.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

It is justified that criminal sanctions should be introduced against the infringement of all types of intellectual property rights, however, it shall be considered whether such act - with respect to the nature of the act or the circumstances of the infringement - reaches such a level where criminal sanctions should be imposed. It is specially relevant in case of patents and utility models where it might be difficult to establish the infringement due to the inter-connection and multiplicity of different technical solutions.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

The basis of criminal liability shall be only wilful and deliberate acts, except copyright piracy and participation in the distribution of counterfeited goods.

In the civil law procedure, the liability for infringement is determined on an objective basis, therefore, the infringing person is liable under the civil law. The intentional element cannot be established solely on the basis of carrying out the infringing behaviour. Therefore, the intentional element must be proven by the public prosecutor or by the private aggrieved party who is alleging the infringement if under the given legal system the criminal procedure shall be initiated and charges pursued by such private aggrieved party.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

If the validity of the intellectual property right is challenged in the course of the procedure, the criminal court shall not rule on the validity, since the competent patent office or civil court shall ascertain the validity. With respect to the special characteristics of intellectual property rights, we emphasize again our standpoint set forth in Section *ad 3* above. If the accused party - as a defence - raises the issue of validity, he cannot be deprived from the possibility that the competent authorities or courts rule on the validity.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

Under Hungarian law, the crimes relating to the infringement of intellectual property rights are to be prosecuted by the public prosecutor.

With respect to international harmonization, however, in our view each state shall decide as to whether the commencement of a criminal procedure - irrespective of the civil procedure - should depend on the decision of the victim. In such a case, it is justified that the crimes shall be prosecuted pursuant to an action commenced by the private aggrieved party, the procedure shall be initiated according to the decision of the aggrieved party and the aggrieved party would have the possibility to withdraw the charge (suit) and make a settlement with the accused party.

However, it shall be taken into consideration that in certain cases, namely, in case of counterfeiting or piracy affecting a large number of people, the public interest requires that such crimes shall be prosecuted *ex officio*.

4. Various

The groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines. Indeed, taking into account the pioneer character of the question, the AIPPI wishes to profit from the experience of the national and regional groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

According to a frequently emphasized view in connection with industrial property rights, IP rights are just the same as proprietary rights (ownership rights) relating to corporeal objects (*res*). This view is correct in many aspects, namely in respect of the absolute structure and exclusive character of both the industrial property and the traditional property rights.

Nevertheless, there are substantial differences as well, even beyond the limited duration of IP rights, which, in our opinion, are to be taken into consideration if we want to determine balanced and equitable sanctions against the infringement of IP rights.

- 4.1 In case of crimes committed against property (theft, robbery etc.), there is usually no dispute as to whether the object taken away constitutes the property of another person or an object which is free to be taken or used by anyone. Generally, the ownership of any particular object is well known, and thus nowadays there are hardly any objects which could be freely taken away by any person (e.g. flower in the fields).

In the field of technical creations the typical situation is just contrary. The human creations invented up to now have mostly become common (public) property. The inventions temporarily protected by industrial property rights can be considered as "islands" in the "ocean" of the state of the art.

- 4.2 In cases of industrial property rights, contrary to the cases of violation of property rights, it is often disputable whether an infringement has been committed at all. In the procedures of patent infringement actions, the defendant can defend himself not only by stating that his act does not fall under the scope of protection, but also by challenging the validity or the scope of the patent, e.g. on the basis of lack of novelty or inventive step. In industrially developed countries, a significant proportion of revocation actions against patents, even if granted on the basis of a substantive examination, result in the revocation of the challenged patent. This proportion is even more significant in case of procedures against IP rights granted without a substantive examination. Such IP rights are typically utility models and industrial design protections granted in many countries.

- 4.3 The situation is similar in case of trademarks, marks used without registration, trade dresses and trade names as well. In a trademark infringement action, the defendant can defend himself not only by stating that the mark he has used is not confusingly similar to the plaintiff's trademark, or the goods are different from those covered by the trademark registration, but also he can challenge the registration by filing a cancellation and/or annulment action against the trademark protection, or he can base his defence on the acquiescence of the trademark owner as well.

- 4.4 There are important considerations for which the proceedings relating to the *status* of the protection and infringement actions before the competent authorities and courts are so-called "adversarial" procedures. Only this "adversarial" structure can guarantee that by having due regard to the arguments and demonstrations of both parties well-founded decisions can be rendered, providing appropriate protection for the IP right holder, but on the other hand not prohibiting any third persons from free use of the knowledge having become common property and/or subject to their own improvements, neither restraining the compe-

tion by unfair or undue extension of the monopoly provided by the IP protection. The adversarial civil procedure also enables the parties to end the dispute by settlement, which is probably most advantageous both for the parties and for the society.

- 4.5 The character of a patent infringement action is much more similar to a civil lawsuit relating to possession or property, than a criminal action initiated for violation of property rights. In an action relating to the property right, the losing party will be obliged to transfer the property or to pay damages, but he will not be considered as a criminal. Contrary to this, in case of criminal sanctions imposed for patent infringement, the act of the same defendant would be qualified as a crime, and consequently he would be considered as a criminal.
- 4.6 In case of the infringement of an intellectual property right, the pecuniary loss of the right holder is not necessarily in correlation with the unlawful act or its intentional character. For example, if the object of a civil dispute is as to whether or not a chemical composition falls under the scope of a patent claim, the pecuniary loss deriving from the same act can differ within a large scale depending on whether the chemical composition is the agent of a broadly used pharmaceutical or a base material for which there is no significant need on the market.
- 4.7 A basic principle of the criminal law is that the rules of criminal law shall be definite (*lex certa*), their application cannot be extended to analogous facts (*lex stricta*), and the crimes and sanctions are to be clear and predictable. In the field of intellectual property law, however, the provisions are typically considered as “framework” in nature, which do not exactly comply with the above basic principle. For example, patent infringement can be committed by replacing a claim element with an equivalent element, or through contributory infringement. Goods which are different from each other can be considered as similar; a trademark having good reputation can be infringed upon by using the trademark in relation to goods or services which are different from those covered by the specification of goods of the trademark. It is not incidental, that Article 61 of the TRIPS Agreement obliges the Member States to provide for criminal sanctions in the usually unequivocal (or less disputable) cases of wilful trademark counterfeiting and copyright piracy on a commercial scale.
- 4.8 In view of the above, the Hungarian Group is of the opinion that any criminal provisions and sanctions, especially in respect of patents, utility models and design infringements, shall be determined with the utmost of circumspection. Severe sanctions can result in inequitable punishment and can hinder technical development and fair competition.

Summary

The requirements set forth in Article 61 of TRIPS Agreement - even beyond the minimal requirements - have been incorporated in Hungarian law in the course of the amendment of the Penal Code.

Civil law liability and criminal liability shall be distinctly separated.

The basis of the civil law sanctions is the realization of the unlawful (infringing) behaviour defined in the respective legal norms. Contrary to criminal liability, the civil law sanctions are determined on an objective basis without any requirement of intention, negligence or fault.

The prerequisite for the commencement of a criminal procedure is that the public prosecutor brings a charge. Before the court, the public prosecutor shall prove the *mens rea* (culpability) of the accused person.

Civil law liability and criminal liability result in different legal consequences, independent of each other and with different statute of limitations as well.

According to the view of the Hungarian Group, the requirements set forth in Article 61 of TRIPS Agreement may serve as a basis for the international harmonization of criminal sanctions to be imposed for the infringement of intellectual property rights.

The criminal liability shall be defined inevitably in conformity with civil law liability and within the scope of civil law liability, however, within a narrower scope.

In the course of the harmonization of criminal law sanctions, with respect to the special nature of copyright and industrial property rights, particular attention shall be given to the circumstance in which if the accused party challenges the validity and the scope of the protection - which constitutes a preliminary issue relating to any criminal liability for the infringement - such issues shall be adjudicated by the competent authorities and civil courts, and such decisions shall not be rendered in the course of the criminal procedure.

It would be justified to introduce criminal liability of legal persons (entities) for infringement.

In the course of the harmonization, each state shall decide whether the decision of the aggrieved party is necessary for the commencement of any criminal procedure in addition to the civil procedure and whether the infringements shall be prosecuted by the aggrieved party himself. The prosecution shall be carried out *ex officio* only in those cases where counterfeiting and piracy affects a large number of people and, therefore, the public interest requires such.

Résumé

Les exigences figurant à l'article 61 de la Convention TRIPS ont été - au-delà du minimum défini dans le texte - codifiées dans le droit hongrois par la modification du Code Pénal.

Il faut nettement séparer la responsabilité de droit civil de la responsabilité de droit pénal.

La base de la responsabilité de droit civil est la perpétration de comportements attentatoires au droit, tels que ceux-ci sont définis dans les lois respectives. Les conséquences juridiques de droit civil existent sur une base objective - contrairement à la responsabilité de droit pénal - sans regard au caractère volontaire, à la négligence ou à la culpabilité de la perpétration.

La condition préalable d'une procédure pénale est que le procureur fasse l'acte d'accusation, et il est à la charge du procureur de prouver la culpabilité.

Les sanctions de droit civil et celles de droit pénal sont différentes, indépendantes les unes des autres, et elles sont soumises à des délais de prescription différents.

Le système juridique hongrois ne permet d'entamer une procédure pénale contre des personnes morales.

Selon l'avis du Groupe Hongrois les exigences définies à l'article 61 de la Convention TRIPS peuvent servir de base à l'harmonisation internationale des dispositions pénales à l'encontre de la violation de la propriété intellectuelle.

La responsabilité de droit pénal ne peut nécessairement être établie qu'en accord avec la définition des limites de la responsabilité de droit civil, dans les limites de la responsabilité de droit civil, mais de façon plus restreinte que celle-ci.

Au cours de l'harmonisation du droit pénal - en prenant très largement en considération les spécificités des droits d'auteur et de propriété industrielle - il faut veiller tout particulièrement à ce que la question préalable de la responsabilité de droit pénal, l'existence d'une violation de droits ou la question de l'étendue de celle-ci soient jugées par les autorités et les tribunaux compétents en la matière, afin d'éviter qu'elles ne soient jugées dans le cadre d'une procédure pénale. Il serait sou-

haitable dans le cadre de l'harmonisation juridique d'établir la responsabilité de droit pénal des personnes morales concernant ces actes.

Dans le cadre de l'harmonisation, chaque pays est appelé à voir s'il soumet à la décision de la partie lésée la nécessité d'entamer une poursuite pénale en plus de la procédure civile, et s'il y a lieu de qualifier ces actes d'actes criminels sur la base d'une plainte privée. Il serait souhaitable de limiter l'exigence unique relative à la poursuite d'office des actes, aux affaires qui, à cause de contrefaçons et de comportements de piraterie touchant une large part de la population, demandent une telle mesure dans l'intérêt public de la société.

Zusammenfassung

Die im Artikel 61 des TRIPS-Abkommens genannten Anforderungen wurden - über das im Artikel bestimmte Minimalmass hinaus - im ungarischen Rechtssystem durch die Modifizierung des ungarischen Strafgesetzbuches kodifiziert.

Die zivilrechtliche und die strafrechtliche Verantwortlichkeit sind streng voneinander zu trennen.

Die Grundlage der zivilrechtlichen Verantwortlichkeit ist das Begehen der von den einschlägigen Gesetzen bestimmten Verletzungshandlungen. Die zivilrechtlichen Rechtsfolgen basieren - gegenüber der strafrechtlichen Verantwortlichkeit - ohne Berücksichtigung der Absichtlichkeit, Fahrlässigkeit oder Schuld auf objektiver Grundlage.

Voraussetzung für das Strafverfahren ist, dass vom Staatsanwalt Anklage erhoben wird; die Beweislast der Schuld hat der Staatsanwalt zu tragen.

Die zivil- und strafrechtlichen Sanktionen sind verschieden und unabhängig voneinander, und es gelten verschiedene Verjährungsfristen.

Das ungarische Rechtssystem ermöglicht kein Strafverfahren gegen Rechtspersonen.

Gemäss dem Standpunkt der Ungarischen Landesgruppe können die im Artikel 61 des TRIPS-Abkommens genannten Anforderungen als Grundlage für die internationale Harmonisierung der strafrechtlichen Anordnungen beim Begehen von Verbrechen gegen Immaterialgüter dienen.

Die strafrechtliche Verantwortlichkeit kann notwendigerweise nur in Einklang mit der Bestimmung der zivilrechtlichen Verantwortlichkeit, innerhalb der zivilrechtlichen Verantwortlichkeit, jedoch in einem engeren Kreis bestimmt werden.

Im Laufe der strafrechtlichen Harmonisierung soll - mit weitgehender Rücksicht auf die Eigenartigkeit des Schutzes der Urheber- und gewerblichen Schutzrechte - auch darauf besonders geachtet werden, dass in der Vorfrage der strafrechtlichen Verantwortlichkeit sowie in der Frage des Bestehens von verletzten Rechten bzw. deren Umfangs - falls dies vom Beschuldigten bestritten wird - von den zuständigen Behörden bzw. Gerichten und nicht im Rahmen eines Strafverfahrens entschieden wird. Bezüglich dieser Handlungen wäre es im Kreise der Rechtsvereinheitlichung begründet, die strafrechtliche Verantwortlichkeit der Rechtspersonen festzustellen.

Im Rahmen der Harmonisierung sind die einzelnen Länder befugt zu entscheiden, ob der Entschluss über das zivilrechtliche Verfahren hinaus auch notwendigerweise das Strafverfahren einzuleiten von dem Willen des Verletzten abhängen soll, bzw. ob es nicht begründet wäre, die Handlungen aufgrund der Privatklage als Straftat verfolgbar zu qualifizieren. Es wäre begründet, die einheitliche Anforderung bezüglich der Verfolgung der Handlungen von Amts wegen auf die Fälle einzuschränken, wenn dies im Falle von Fälschungen und Piratenverhalten, die einen breiteren Bevölkerungskreis betreffen, vom Gesichtspunkt des gesellschaftlichen Gesamtinteresses erforderlich ist.

Report Q169

in the name of the Irish Group

Criminal law sanctions with regard to the infringement of intellectual property rights

1. Introduction

Ireland has substantially complied with its obligations under Article 61 of the TRIPS Treaty in respect of trade marks and copyright. The new Irish industrial designs legislation, due to take effect next year, also introduces criminal sanctions in respect of certain design infringements. Irish Patent Law does not provide for any criminal penalties, and the Irish Group does not consider that such penalties would be appropriate.

2. Substantive Law

2.1 *Have the provisions of Article 61 of the TRIPS treaty been introduced into your country's legislation with regard to trade marks and copyright?*

Yes, for the most part, the provisions of Article 61 have been introduced. The current Irish copyright legislation is the *Copyright and Related Rights Act 2000* (the "Copyright Act"), and the relevant trade mark legislation is the *Trade Marks Act 1996* (the "Trade Marks Act"). These Acts provide for criminal procedures and penalties to be applied at least in cases of wilful trade mark counterfeiting or copyright piracy on a commercial scale, and remedies available under the Acts include imprisonment and/or monetary fines which meet the TRIPS requirements. In the case of copyright, additional remedies include the seizure, forfeiture and destruction of the infringing goods, and of any materials and implements the predominant use of which has been the commission of the offence. However, there are no equivalent seizure or forfeiture provisions contained in the Trade Marks Act in respect of counterfeit goods, or materials and implements employed in their production or packaging.

Trade Marks Act

The criminal offences described at Section 92 of the Trade Marks Act are intended to encompass all types of fraudulent application or use of trade marks in relation to counterfeit goods. According to Section 92(1), it shall be an offence for any person to apply a mark identical to or nearly resembling a registered trade mark to goods or to material used or intended to be used for labelling, packaging or advertising goods; or to sell, let for hire, offer or expose for sale or hire or distribute goods bearing such a mark, or material bearing such a mark which is used or intended to be used for labelling, packaging or advertising goods. It shall also be an offence to use material bearing such a mark in the course of a business for labelling, packaging or advertising goods, or to possess in the course of business goods or materials bearing such a mark with a view to doing any of the things mentioned above, when the person is not entitled to use the mark in relation to the goods in question or authorised by a person who is so entitled.

According to Section 92(2), it shall also be an offence for any person to possess in the course of business goods or material bearing a mark identical to or nearly resembling a registered trade mark with a view to enabling or assisting another person to do any of the things mentioned in Section 92(1) above, knowing or having reason to believe that the other person is not entitled to use the mark in relation to the goods in question or authorised by a person who is so entitled.

According to Section 92(3), a person shall only be guilty of an offence under Section 92(3) only if that person acts with a view to gain, for himself or another, or with intent to cause a loss to another. It shall also be a defence for a person charged with an offence to show that he believed on reasonable grounds that he was entitled to use the trade mark in relation to the goods in question.

Section 95 of the Trade Marks Act sets out the circumstances in which partners and directors may become personally liable for the offences set out in Section 92 above.

Copyright Act

Commercial Copying and Distribution

According to Section 140(1) of the Copyright Act, a person who, without the consent of the copyright owner makes for sale, rental or loan, sells, rents or lends, or offers or exposes for sale, rental or loan, imports into the State, otherwise than for his or her private and domestic use, or in the course of a business, trade or profession, has in his or her possession, custody or control, or makes available to the public; or otherwise than in the course of a business, trade or profession, makes available to the public to such an extent as to prejudice the interests of the owner of the copyright, a copy of a work which is, and which he or she knows or has reason to believe is, an infringing copy of the work, is guilty of an offence.

Public Performance and Broadcasting

Under Section 140(5) of the Copyright Act, where copyright is infringed by the public performance of a literary, dramatic or musical work, or the playing or showing in public of a sound recording, artistic work, original database or film, or broadcasting a work or including a work in a cable program service, the person who caused the work to be so performed, played, broadcast, included in a cable program service or shown is guilty of an offence where he or she knew or had reason to believe that the copyright in the work would be infringed.

Articles for Copying

Under Section 140(3) of the Copyright Act, a person who makes, sells, rents or lends or offers or exposes for sale, rental or loan, or imports into the state, or has in his or her possession, custody or control, an article specifically designed or adapted for making copies of a work, knowing or having reason to believe that it has been or is to be used to make infringing copies, is guilty of an offence.

Protection Defeating Devices

A person who makes, sells, rents or lends, or offers or exposes for sale, rental or loan, or imports into the state, or has in has or her possession, custody or control, a protection defeating device knowing or having reason to believe that it has been or is to be used to circumvent rights protection measures, or provides information, or offers or performs any service, intended to enable or assist a person to circumvent rights protection measures is guilty of an offence, according to Section 140(4) of the Copyright Act.

Directors/Partners

Section (13) and (14) of the Copyright Act set out the circumstances in which partners and directors may become personally liable for the offences set out in Section 92.

Delivery Up

Provisions for delivery up of infringing copies in criminal proceedings are provided for at Section 142. The court may order that an infringing copy, an article used to produce such a copy or a protection defeating device be delivered up to the copyright owner, or to another authorised person.

Search and Seizure

Section 143(1) stipulates that the court may issue a warrant to the Garda Síochána (Irish Police) to enter and search a place where there are reasonable grounds for suspecting that a copyright offence is to be committed in or at that place. The warrant may authorise the

Garda Síochána to seize counterfeit copies, articles or devices, collect evidence, make an inventory or require any person to give his or her name or address.

In the context of the search and seizure provisions of the Copyright Act, a person who obstructs or interferes with a person acting under the authority of a search and seizure warrant or fails or refuses to give information when requested to do so, is guilty of an offence.

Other Intellectual Property Rights

There are no criminal provisions contained in the Irish Patents legislation i.e. the Patents Act 1992. Similarly, no criminal offences are defined in the 1927 Act relating to designs. The Industrial Designs Act 2000, which is due to take effect next year, will introduce some criminal remedies into Irish Design Law (see response to 3.1 below) There is no law of unfair competition in Ireland.

- 2.2 *What are the conditions of the penal liability for the acts for infringement of the Intellectual property rights. In particular, does this penal liability require special intentional element? Who has the burden of proof of this intentional element? Is this special intentional element supposed or must it be proven positively?*

Trade Marks Act

According to Section 92(3) of the Trade Mark Act, a person shall only be guilty of an offence “if that persons acts with a view to gain for himself or another, or with intent to cause a loss to another”. Regarding any special intentional element or “Mens Rea”, the only intention required is that the defendant act with a view to gain for himself or with an intent to cause loss to another. This test is likely to be satisfied providing the defendant’s acts are carried out with a commercial objective, which will almost always be the case.

Section 92(1)(b)(ii) requires that the materials bearing such a mark must be intended to be used for packaging or labelling or advertising goods.

Section 92(3) provides that it shall be a defence for a person charged with an offence under Section 92(1) to show that he believed, on reasonable grounds, that he was entitled to use the trade mark in relation to the goods in question. This puts the burden of proof on the defendant to establish the reasonable grounds for his belief. The full extent of this defence and what it will constitute “reasonable grounds” has not received any judicial examination by the Irish Courts.

Copyright Act

To be convicted of an offence in the context of dealing in infringing copies, it must be established that the defendant either knew or had reason to believe that the copy of the work in question was an infringing copy; in the case of infringing apparatus or materials that the defendant knew or had reason to believe that such materials had been or were to be used to make infringing copies; in the case of a protection defeating device, that the defendant knew or had reason to believe that such a device had been or was to be used to circumvent rights protection measures.

In all criminal trials in Ireland, the prosecution must prove the alleged facts beyond a reasonable doubt. However, if the prosecution establish facts or a state of affairs from which it would be reasonable to infer that the defendant had the requisite knowledge, the onus of proof would then shift to the defendant, if he wished to do so, to establish that he did not have reason to believe that the copy in question was an infringing copy. The state of knowledge of the defendant in the case of infringing materials or protection defeating devices will be determined in a similar manner.

- 2.3 *Are there differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability?*

Trade Marks Act

Yes, there are differences between the respective acts of infringement. In civil cases, it is necessary for the plaintiff to demonstrate that, on the balance of probabilities, the defendant used in the course of trade an identical mark in relation to goods for which the registered mark is protected. In the case of non-identical trade marks for non-identical but similar goods/services, he must demonstrate a likelihood of confusion or, alternatively, if the defendant uses the mark on dissimilar goods/services, that the registered mark has a reputation, and that the defendant's use of the mark would take unfair advantage of, or be detrimental to, the distinctive character or the reputation of the registered trade mark.

By contrast, in criminal cases, the prosecutor must demonstrate that the defendant has used or is using an identical or "*nearly resembling*" trade mark in relation to any goods. By "*nearly resembling*" it is understood that this means almost identical to or likely to be mistaken for the registered mark.

In criminal cases, under Section 13(4)(b) of the Trade Marks Act, no offence arises in respect of acts carried out prior to publication of registration of the mark. However, in civil cases, damages can be claimed dating back to the date of filing the application. Furthermore, in civil cases, it is not a defence for the defendant to demonstrate that he believed on reasonable grounds that the use of the sign was not an infringement of the registered trade mark.

It is conceivable that the owner of a registered trade mark could bring a civil action against a counterfeiter e.g. to recover substantial damages where the State may already be prosecuting the same defendant under the criminal provisions.

Copyright Act

Save for the offence in relation to protection defeating devices, and search and seizure warrants, the acts of infringement are the same under criminal and civil liability.

Acts of infringement are more likely to be the subject of both civil and criminal proceedings in the context of large-scale commercial piracy of copyright works. However, it is open to the owner of a copyright work to bring civil proceedings and seek remedies whether or not criminal proceedings are in train.

Civil proceedings must be commenced within a period of six years from the date of commission of the acts of infringement. Whilst generally there are no limitations as regards the institution of criminal proceedings subject to the requirements of natural justice regarding a fair trial, the Copyright Act itself provides that summary proceedings for an offence under the Copyright Act must be commenced within 12 months from the date of the offence, and that an order for delivery up of infringing goods, materials or protection defeating devices in criminal proceedings may not be made after a period of six years from the date of commencement of the criminal proceedings to which the delivery-up relates.

2.4 *Do national laws provide the penal liability against a legal moral person for acts of counterfeiting?*

Trade Marks Act

Since a criminal defendant will have to prove that he has reasonable grounds to believe that his acts are not infringements, a defendant who had not considered the question of infringement, and had no concrete reason to believe that his acts would constitute infringement, could be in danger of committing an offence without the necessary intentional element. Accordingly, it is possible that a legal moral persons could be held liable for counterfeiting under the criminal provisions of the Trade Marks Act.

Copyright Act

A private individual who is not engaged in piracy on a commercial scale will fall outside the criminal provisions concerning dealings in infringing copies if the facts reveal that:-

- (i) the individual neither knew or had reason to believe that the goods in question were infringing copies; or
- (ii) the infringing goods were imported for private or domestic use, or
- (iii) that infringing copies were made available to the public but not to such an extent as to prejudice the interest of the copyright owner, or
- (iv) that infringing copies were loaned to a family member or friend for private and domestic use and otherwise for reward.

2.5 *Does the penal court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

Trade Marks Act

It is not yet clear whether an Irish court ruling on a criminal prosecution could rule on the question of the validity of the registered trade mark. If the defendant raises the defence that he believed on reasonable grounds that his use of the trade mark was not an infringement of the registered trade mark, then it would appear that the defendant would be able to rely on all the defences available in civil proceedings for infringement e.g. that the registered trade mark was subject to cancellation on grounds of non-use, and that the criminal court would have to take a decision on this.

Copyright Act

If challenged, the validity of the copyright claim would have to be established by the prosecution and determined by the presiding court.

2.6 *What are precisely the sanctions envisaged by Ireland's criminal legislation for acts of infringement of intellectual property rights?*

Trade Marks Act

On summary conviction, the liability is to a term of imprisonment not exceeding six years or a fine not exceeding IR£1000 (EUR1270) or both. On conviction on indictment, a term of imprisonment not exceeding five years or a fine not exceeding IR£100,000 (EUR127,000) or both, arises. In response to part 2 of this question, we confirm that the courts which impose penal sanctions would not normally be in a position to allocate compensatory damages. The monetary fines listed above are intended to be of a punitive nature only.

Copyright Act

In the context of dealings in infringing goods, materials or protection-defeating devices, a person who is guilty of an offence is liable on summary conviction to a fine not exceeding IR£1,500 (EUR1904) in respect of each infringing copy, article or device or to imprisonment for a term not exceeding twelve months or both or, upon conviction on indictment, to a fine not exceeding IR£100,000 (EUR127,000) or to imprisonment for a term not exceeding five years, or both.

In the context of a work which has been performed, played, broadcast, included in a cable program service or shown, a person who is guilty of an offence is liable on summary conviction to a fine not exceeding IR£1,500 (EUR1904) in respect of such offence or to imprisonment for a term not exceeding twelve months, or both, or upon conviction on indictment to a fine not exceeding IR£100,000 (EUR127,000) or to imprisonment for a term not exceeding five years, or both.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the per-*

son vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

Ireland is a common law jurisdiction, but unlike common law countries such as the UK, it does not have a separate and distinct criminal court system. The Trade Mark Act does not impose any statutory duty on the police i.e. "the Garda Síochána" to enforce the legislation, or to give anti-counterfeiting enforcement a priority. This is by contrast to the UK which imposes a duty on trading standards departments of local authorities to enforce the relevant provisions. However, the penalties in respect of offences under Section 92 are arrestable and the State can enforce these offences. Unfortunately, the Irish Group has been unable to locate any statistical data concerning the number of criminal cases proceeded with in the area of trade mark counterfeiting.

3. Proposals for solutions for the future

3.1 *Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

There is no particularly strong reason why criminal sanctions should not be available in the case of infringement/counterfeiting of industrial designs. The Industrial Designs Act 2000 (expected to be operative early 2002) introduces criminal sanctions in certain circumstances.

Section 66 (1) of the Designs Act provides that a person who, without the license of the registered proprietor of a design and while the design right is in force, uses, otherwise than for his or her private and domestic use, makes for sale or rent, sells or rents, imports into the state, exports, or has in his possession in the course of a business, a product which is, and which he or she knows or has reason to believe, is an infringing product shall be guilty of an offence. According to Section 66 (2) a person who makes, sells or rents, imports, or possesses an article specifically designed or adapted for producing a design, knowing or having reason to believe that it has been or is used to make infringing products, shall be guilty of an offence. Section 69 of the Act provides that the court may make an order for delivery up of infringing products or articles to the registered proprietor or such other person as the court may direct, while Section 70 provides for search and seizure warrants which may be issued to the police by the District Court in appropriate circumstances.

However, the group would see difficulties in extending criminal sanctions in circumstances involving patents. In defending patent infringement cases, the defendant inevitably puts the validity of the patent in issue. The resolution of the issue of patent validity is a complex and carefully considered matter usually conducted by a specialist judge. The onus and responsibility for determining validity would usually be beyond the expertise of a judge engaged in criminal cases. The time involved in such a process would also be prejudicial to effective criminal sanctions.

3.2 *Comment on the existence of the intentional element as a condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

The Irish Group believes that violations of intellectual property rights attracting penal penalties should involve an intentional element.

3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the civil judge or the Patent*

Office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?

As stated under paragraph 3.1 above, local judges involved in the administration of criminal law are unlikely to be familiar with the nuances of Intellectual Property Law. They are suited to prima facie determination of infringement where the protected right and the alleged infringement are capable of visual/phonetic comparison e.g. trade marks, copyright (some cases) and designs. However, questions of validity relating to patents should remain within the jurisdiction of specialist judges.

- 3.4 *Can the victim of counterfeiting be a “master” of the criminal proceedings i.e. introduce proceedings and put an end to the proceedings, in particular by settlement? Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?*

Where criminal sanctions are sought to be imposed against an infringer; in most cases proceedings will be commenced by the right holder or licensee. Although the right holder/licensee may be the moving force and principal witness, the responsibility for prosecuting the action is vested in the statutory appointed person e.g. The Garda Síochána. The Gardai are vested with the power of complaint and the power to execute the judgement of the court e.g. seizure, destruction etc.

There is no reason why the evidence used in criminal proceedings should not be used in subsequent civil proceedings. However, a civil court will not rubber stamp the findings of a criminal court and the evidence will be re-examined and subject to questioning by the defendant.

Summary

Criminal Law sanctions have been introduced on a limited scale for infringement of certain intellectual property rights, in particular Copyright and Trade Marks. Limited Criminal Law sanctions will be introduced into Design Law in the year 2002. However, the Group foresees difficulties in extending Criminal Law sanctions to Patents for the reasons given in the report.

Report Q169

in the name of the Israeli Group
by Arnan GABRIELI

Criminal law sanctions with regard to the infringement of intellectual property rights

1. The provisions of Article 61 of the TRIPS Agreement were already implemented by Israel prior to the coming into force of the TRIPS Agreement. The Trademarks Ordinance of 1938 provides for a criminal offence in Section 60 thereof in the following terms:

"A person who with intent to deceive commits or attempts to commit or aids or abets any other person in committing any of the following acts shall be liable to imprisonment for a term of one year or a fine:

- (1) not being the proprietor thereof makes use of a registered trade mark or of an imitation of such a mark upon the same class of goods as that in respect of which the mark is registered;*
- (2) sells, stores for the purpose of sale, or exposes for sale, goods bearing a mark the use of which is an offence under paragraph (1);*
- (3) uses for the purpose of advertising goods, in the press or in some other manner, a mark duly registered by another person in respect of goods in the same class;*
- (4) makes, engraves, prints or sells any plate, die, block or other representation of a duly registered mark or any other imitation thereof for the purpose of enabling any person other than the registered proprietor of such mark to make use of such mark or an imitation thereof in connection with goods of the same class as those for which it is registered;*
- (5) makes or causes to be made a false entry in the Register, or a writing falsely purporting to be a copy of an entry in the Register, or produces or tenders or causes to be produced or tendered in evidence any such writing, knowing the entry or writing to be false."*

The law also provides for a criminal sanction in case of the use by a person of a "false trade description", which is defined as any sign, whether a word or a picture etc., whether it is a registered trademark or not, which may move people to believe that the goods emanate from a person other than the person who uses the sign. In this case, the onus is on the accused to prove that he did what he did without intent to deceive.

The Copyright Ordinance of 1924 provides in Section 3 thereof that whoever commits knowingly one of the following actions is liable to imprisonment of three years and to a fine. The actions set out in this Section of the Ordinance include preparing for commercial purposes infringing copies of a copyrighted work, selling, proposing to sell, distributing, presenting in public or importing such an infringing copy.

Israeli law does not provide for criminal sanctions in respect of the violation of any other intellectual property right.

2. As shown above, an element of the criminal offence both in trademarks and in copyright is the intent. This element is expressed in the Trademarks Ordinance by the provision that the

act should be done "*with intent to deceive*" and in the Copyright Ordinance by the provision that the act should be done "*knowingly*".

This element has to be proved by the accuser in each case.

The courts have decided that in trademark violation cases, if it is proved that the accused knew that the mark he was violating was registered, the element of "intent to deceive" is proved.

In copyright cases, the accuser has to prove that the accused knew that the copies which he prepared or sold were infringing, or in other words, that he had to request permission to do what he did and such permission was not granted.

As mentioned above, in case of use of a false trade description, the accused has to prove that he did what he did without intent to deceive.

3. It is possible to prosecute an infringer of either trademark or copyright in criminal proceedings and simultaneously file civil proceedings.

Both in trademark and in copyright cases, the owner of the right may prosecute the infringer in criminal proceedings by filing a so-called private criminal complaint.

As for the period of limitation: in civil cases the limitation period is 7 years from the date of the accrual of the cause of action. In criminal cases the limitation period is 5 years from the date of the commission of the offence.

4. A legal entity may be prosecuted in criminal proceedings as well as a physical person, the difference being that a legal entity may only be punished by fine.
5. The criminal court may rule concerning the validity of the intellectual property right in respect of which the proceedings were opened. such a ruling will be incidental and will not create a *res judicata*. Clearly, if the criminal court finds that the accuser does not have a valid registered trademark or copyright, the private criminal complaint will be dismissed.

In this respect it is to be noted that no criminal proceedings will be opened unless the complainant is able to prove his case "beyond a reasonable doubt". This means that if there is the slightest doubt as to the validity of the intellectual property right, no criminal complaint will be submitted.

6. The penalties to which a person convicted in committing an offence by violating a copyright is liable are: 3 years imprisonment and a fine of NIS 1,000,000 (which is equivalent to approximately US\$ 250,000.-).

In case of offence in trademark matters, the penalty is one year imprisonment and a small fine.

However, when the criminal proceedings are conducted by a private citizen in the form of a private criminal complaint, the courts are not inclined to send the convicted accused to prison, but rather will impose a fine and a suspended sentence.

Recently the State Attorney decided to prosecute persons accused of counterfeiting audio and video discs. When the State is the accuser, the court will probably impose upon a convicted person also imprisonment.

The criminal court is empowered to award damages to the complainant in an amount not exceeding approximately US\$ 20,000.-. It also has the power to order the forfeiture or the destruction of the infringing copies/goods and the tools used to commit the offence.

7. As already stated, criminal proceedings may either be opened by the State Attorney, or by a private complainant. In all cases, the burden of proof lies on the accuser and the case must be proved beyond any reasonable doubt.

In private criminal complaints the matter is usually settled by agreement between the parties prior to the hearing of the case by the court.

8. The use of technical experts in criminal proceedings is rare.
9. We are of the opinion that criminal sanctions should not be applied in cases of violation of intellectual property rights other than trademarks and copyright and especially in cases of patent infringement. The reason for this position is that the issue of patent infringement is in most cases too complicated for criminal proceedings. The chances of proving beyond any reasonable doubt that a patent is valid and that the action committed by the accused constitutes an infringement of the patent are very slight.
10. Under Israeli law, the findings and the conclusions of a judgment in criminal proceedings are admissible as evidence in civil proceedings. This means that if a person was convicted in the criminal court, the fact that the trademark or the copyright was infringed may be proved in the civil case by submitting the criminal court judgment.

Report Q169

in the name of the Italian Group
by Raimondo GALLI, Giovanni BANA, Lucio CAMALDO , Pierserafino MARSICO,
Giovanni PELLEGRINO, Paolo PERANI, Francesca RUGGERI, Fabrizio TESTA,
Alberto TORNATO

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

- 2.1 The Italian Criminal Code and other national laws provide for criminal sanctions against the infringement of trademarks, patents and copyrights.

In general, there are no specific rules against unfair competition, but in case of threatening or violent behaviours or breach of scientific or industrial secrets.

- 2.2 Counterfeit infringements must be committed deliberately, not as a mistake, by a + 14 year-old person of sound mind (of sufficient discretion and intelligence).

The Constitution of the Republic of Italy affirms the principle of presumption of innocence, so the guilt of the defendant must be positively proven by the public prosecution.

- 2.3 From the point of view of the civil liability, the counterfeiting of a right of industrial property is an infringement of the right for exclusive use of the thing that forms the subject of it.

From the point of view of the criminal liability the counterfeiting of a right of industrial property is the counterfeiting of the trademark or of the patent.

The unauthorized exploitation of a valid patent is criminally punished with a fine.

The statute of limitation periods are different in case of civil liability and in case of criminal liability.

- 2.4 Like for any other crime, in the Italian legal system there are no rules that concern the criminal liability of a corporate entity on account of counterfeiting. Criminal liability is personal and, therefore, it can only refer to natural persons (art. 27 of Constitution).

- 2.5 The Judge who decides about an act of counterfeiting, according to the prevailing line of cases, can not rule on the merit of the issue of validity of the intellectual property right: to that purpose, the Judge may only consider the issue incidentally.

- 2.6 The criminal punishments of the Italian laws, concerning the infringements of the rights of intellectual property, are rather incisive and consist in the detention and/or in a fine ("multa").

The seizure, the forfeiture and the destruction of what manufactured by infringing the law are provided for as measures in the criminal procedure. Additional measures are the suspension of the business, and the publication (on one or more newspapers) of the condemnation judgment.

As for the action of for the compensation for damage resulting from a crime, the victim can take action before the civil judge or before the criminal judge ("civil action in a criminal proceeding"). Generally, the choice of one action bars the other one. If the criminal defendant is condemned, the criminal judge usually allows the motion for the damages, but the civil judge is the one who fixes the amount of the damages.

- 2.7 From the coming into force of the new code of criminal procedure in 1989, in Italy there is a substantially accusatory system, characterized by a secret and written pre-trial investigation, and by a public and oral trial, in which the evidences are taken according to a cross-examination system. The public prosecutor, a "judge", is the one entitled to promote the criminal action. The jury does not exist in the Italian system. The court is composed by professional judges.

The investigations are carried out essentially by the public prosecutor, who is obliged to exercise the criminal action (art. 112 of Constitution). The defending counsel, both the inquired's one and the victim's one, can investigate as well, availing of the help of own technical experts and of private investigators.

During the investigations the victim helps and controls the Public Prosecutor. After the beginning of the trial, if the victim is also the injured party, it can take a civil action in the criminal proceeding (*supra*, § 2.6).

The proceeding can come to an end before the trial: if the defendant and the Public Prosecutor reach an agreement over the punishment (to the maximum amount of two years of imprisonment, "patteggiamento" (plea bargaining)) or if the defendant ask for a summary judgement, only on the basis of the results of the investigations. In the first circumstance the victim who took civil action in the criminal proceeding is expelled from the trial; in the second circumstance the victim has the chance to choose to take action.

In practice, in case of a crime concerning IP, the proceeding often comes to an agreement ("patteggiamento").

- 2.8 In Italy, among the evidences allowed by the criminal procedural code, there is the expert opinion ("perizia"): when specific and technical, scientific or artistic knowledge is requested the judge designates an expert who is subject to the cross-examination in the trial, even if he can also give a written report. The parties, when the judge designates an expert, can designate own technical expert who co-operate with the judge's expert.

In the proceedings concerning the IP infringements, public prosecutor often designates a technical expert.

- 2.9 The Italian Group represents that there is a wide interest in criminal protection of IP.
- 3.1 Yes, in general criminal punishment are already provided for infringements of the rights concerning industrial and intellectual property.

However the Italian Group wishes a reform and a consistent severity of the criminal punishment of our system.

- 3.2 Yes, the infringement must be intentional.

The evidence must be provided by the victim and/or the investigators.

- 3.3 The criminal judge consider the validity of the right incidentally (inter partes) , but he can not judge on that right with effectiveness respect third parties (erga omnes) .

Therefore the criminal judge does not suspend the criminal proceeding for the preliminary civil question.

- 3.4 Yes, the victim must be entitled to promote the criminal action, provided that the chance for the public prosecutor or for the judge of the investigations to prosecute the criminal action if there is a public interest in the matter.

Yes, he could.

Summary

The Italian Criminal Code and other national laws provide for criminal sanctions against the infringement of trademarks, patents and copyrights.

In general, there are no specific rules against unfair competition, but in case of threatening or violent behaviours or breach of scientific or industrial secrets.

From the point of view of the criminal liability, the infringement of an intellectual property right consists of the counterfeiting of the trademark or patent.

In general, the unauthorised use of a valid patent is presently criminally sanctioned with a fine.

Zusammenfassung

Im italienischen Strafgesetzbuch und in anderen nationalen Gesetzen sind Strafsanktionen vorgesehen, die die Marken-, Patent- und Urheberrechtsverletzungen betreffen.

Im Allgemeinen gibt es - ausser im Falle von Gewalttaten, Drohungen oder Verletzungen von Betriebsgeheimnissen - keine spezifischen Normen, die den unlauteren Wettbewerb bestrafen.

Unter dem Gesichtspunkt der strafrechtlichen Verantwortlichkeit besteht die Verletzung eines Schutzrechts in der Verfälschung der Marke bzw. des Patentes.

Die ungenehmigte Benutzung eines rechtsbeständigen Patentes wird derzeit im allgemeinen nur mit einer Geldbusse bestraft.

Report Q169

in the name of the Japanese Group

Criminal law sanctions with regard to the infringement of intellectual property rights

1. Introduction

In Japan, most violations of intellectual property laws are considered as of civil nature. Owners of intellectual properties usually achieve their goal by using the civil procedure. In certain cases, however, the criminal process may be more efficient for stopping persistent infringement. For example, when a group related to organized crime imports counterfeiting goods from abroad, a civil action against it would not successfully stop it. Therefore, all the intellectual property laws have provisions for penal sanctions in Japan.

This report provides to the members of AIPPI a presentation of the state of the substantive law in Japan. The laws that will be discussed below are the Patent Law, the Utility Model Law, the Design Patent Law, the Trademark Law, the Copyright Law, the Unfair Competition Prevention Law, the Seed and Seedlings Law, and the Semiconductor Circuit Layout Law.

2. Substantive law

The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

2.1.1 Patent (including design patent)

Section 196 of Patent Law (Section 69 of Design Patent Law) provides that any person who has infringed a (design) patent right or an exclusive license shall be liable to imprisonment with labour not exceeding five years or to a fine not exceeding 5,000,000 yen (in case of design patent, not exceeding three years or to a fine not exceeding 3,000,000 yen)

2.1.2 Utility Model

Section 56 of Utility Model Law provides that any person who has infringed a utility model or an exclusive license shall be liable to imprisonment with labour not exceeding three years or to a fine not exceeding 3,000,000 yen.

2.1.3 Trademark

The Japanese Trademark Law was, has been, and is in conformity with the provisions of Article 61 of the TRIPS Agreement.

Article 78 of the Trademark Law provides that imprisonment with labor for a term not exceeding 5 years or a fine not exceeding 5 million yen shall be imposed on any person who infringes a trademark right.

Furthermore, according to Article 19 of the Criminal Law any goods or article that has took part in a criminal act, any goods or article that has been used or has been planned to be used in a criminal act, and goods or article that has derived from a criminal act can be forfeited.

2.1.4 Copyrights

The Japanese Copyright Law was, has been, and is in conformity with the provisions of Article 61 of the TRIPS Agreement.

Criminal procedures and penalties are applied to willful copyright infringement beyond the private use exception. Article 119 of the Copyright Law provides that any person who infringes copyright shall be punishable by imprisonment for a term not exceeding 3 years or a fine not exceeding 3 million Yen. These remedies are sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity.

According to Article 19 of the Criminal Law, any material that took part in the criminal act, any material that is used in the criminal act and goods or material that was derived fro used or was planned to be m the criminal act can be forfeited.

2.1.5 Unfair Competition Prevention Law

(1) Criminal punishment is also stipulated in the Unfair Competition Prevention Law as in Industrial Property Laws such as Patent Law and Copyright Act

1) Stipulation of Article 13 of the Unfair Competition Prevention Law (punitive provisions for individuals)

Article 13. - Any person who falls under any of the following items shall be sentenced to imprisonment for a term not exceeding three years or fined an amount not exceeding 3,000,000 yen:

- a) a person who commits, for an unfair purpose, any act of unfair competition described in Article 2 (1) item 1 or 10;
- b) a person (excluding a person described in the preceding item) who indicates a falsehood on goods or for service, or in an advertisement or in a document or correspondence used for a transaction, which is likely to cause misleading, with respect to the place of origin, quality, contents, manufacturing method, use or quantity of such goods or the quality, contents, use or quantity of such service;
- c) a person who violates any provision of Article 9 or Article 10.

2) Item 1, Paragraph 2, Article 2 of the Unfair Competition Prevention Law refers to any of the following unfair competition acts.

The act of using a goods or other indication (as used hereinafter, a "goods or other indication" means name connected with person's business, tradename, trademark, mark, container or package of goods, or any other indication used for the indication of goods or business) which is identical with, or similar to, another person's goods or other indication as to be well-known among consumers, or the act of selling, distributing, displaying for the purpose of sell or distribute, exporting or importing goods on which such a goods or other indication is used, and thereby causing confusion with another person's goods or business;

Item 12, Paragraph 1, Article 2 refers to any of the following unfair competition acts.

The act of indicating on goods or for service, or in an advertisement thereof or in a document or correspondence used for a transaction, which is likely to

cause misleading with respect to the place of origin, quality, contents, manufacturing method, use or quantity of such goods or the quality, contents, use or quantity of such service, or the act of assigning, delivering, displaying for the purpose of assignment or delivery, exporting or importing goods with such an indication or offering a service with such an indication;

3) Article 9 of the Unfair Competition Prevention Law prohibits any of the following acts:

i) No one may use, as a trademark, a mark identical to the national flag or coat of arms of a foreign state or any other insignia which is prescribed by an ordinance of the Ministry of International Trade and Industry (all such insignias hereinafter referred to as a "national emblem") or a mark similar to a national emblem (such identical or similar emblem hereinafter referred to as a "quasi-emblem"), or may assign, deliver, display for the purpose of assignment or delivery, export or import goods using a quasi-emblem as a trademark, or offer a service using a quasi-emblem as a trademark; provided, however, that this does not apply in the case where permission has been obtained from the government agency of the foreign state which is vested with the authority to grant permission (including, in this case and hereinafter, administrative measures similar to permission) for use of the national emblem of that state.

ii) In addition to the provisions stipulated in the above paragraph, no one may use, in a manner which is likely to cause misleading of the place of origin of goods, the coat of arms of a foreign state prescribed by an ordinance of the Ministry of International Trade and Industry referred to in the above paragraph (hereinafter referred to as a "coat of arms"), or may assign, deliver, display for the purpose of assignment or delivery, export or import goods using a coat of arms, or offer a service using a coat of arms; provided, however, that this does not apply in the case where permission has been obtained from the government agency of the foreign state which is vested with the authority to grant permission to use the coat of arms of that state.

iii) No one may use a mark identical to a seal or sign of a foreign state or regional public entity used for certification or inspection purposes, which is prescribed by an ordinance of the Ministry of International Trade and Industry (hereinafter referred to as a "government sign") or a similar mark (such identical or similar mark hereinafter referred to as a "quasi-governmental sign") as a trademark on goods or for a service identical or similar to goods or service for which such government sign is used, or may assign, deliver, display for the purpose of assignment or delivery, export or import goods using a quasi-governmental sign as a trademark, or offer a service using a quasi-governmental sign as a trademark; provided, however, that this does not apply in the case where permission has been obtained from the government agency of the foreign state which is vested with the authority to grant permission to use the government sign of that state.

4) Article 10 of the Unfair Competition Prevention Law prohibits any of the following acts.

No one may use, in a manner which is likely to cause misleading a relationship with any international organization (in this case and hereinafter defined as an international organization of governments or any organization proportionate thereto prescribed as such by an ordinance of the Ministry of International Trade and Industry), a mark identical to a mark representing an inter-

national organization which mark is prescribed by an ordinance of the Ministry of International Trade and Industry or a mark similar to such (such identical or similar mark hereinafter referred to as a "quasi-organizational mark"), as a trademark, or may assign, deliver, display for the purpose of assignment or delivery, export or import goods using a quasi-organizational mark, as a trademark, or offer services using a quasi-organizational symbol as a trademark; provided, however, that this does not apply in the case where permission of such international organization has been obtained.

- 5) Article 10bis of the Unfair Competition Prevention Law prohibits any of the following acts.
 - i) No person shall give, offer or promise any undue pecuniary or other advantage, to a foreign public official, in order that the official act or refrain from acting in relation to the performance of official duties, or in order that the official, with using his position, make another foreign official act or refrain from acting in relation to the performance of official duties, in order to obtain or retain improper business advantage.
 - ii) The term "foreign public official" used in the paragraph (1) shall mean any person under the following:
 - a) Any person who engages in public service for a national or a local foreign government.
 - b) Any person who engages in service for an entity constituted under foreign special laws to carry out specific tasks in the public interest.
 - c) Any person who engages in service for an enterprise of which the number of stocks with the right to vote or the amount of capital subscription directly owned by one or more of national or local foreign governments exceeds in one-half of that enterprise's total stocks issued with the right to vote or total subscribed capital, or of which the number of executives (which mean directors, auditors, managers, secretaries, liquidators or order persons who engage in management of its business) appointed or named by one or more of national or local foreign governments exceeds on total one-half of that enterprise's executives, and to which privileges are especially given by national or local foreign governments to do its business.
 - d) Any person who engages in public service for an international organization (hereinafter, "an international organization" means an entity which is formed by governments or other international organization among governments).
 - e) Any person who exercises a public function, which belongs to the authorized competence of a national or a local foreign governments or an international organization and is delegated by them.
 - iii) Art. 10 bis1) is not applicable, when the foreign country described in Items □ to □ and □ in paragraph 2) is the same foreign country where the main office of person who gives, offers or promise any advantage (which, in the case where a representative, an agent or an employee of a legal person or a person give, offers or promise any advantage, in relation to the business of the legal person or the person, the main office of the legal person or the person) located.
- 6) Stipulation of Article 14 of the Unfair Competition Prevention Law (punitive provisions for legal entity)

In the case where a representative of a juridical person or an agent, servant or other employee of a juridical person or a natural person has committed, in connection with the business of such juridical or natural person, any of the violations described in the preceding article, in addition to the violator being penalised, such a juridical person shall be fined an amount not exceeding 100,000,000 yen and such a natural person shall be liable to the same fine described in the preceding article.

2.1.6 Seeds and Seedlings Law

Section 56 of the Seeds and Seedlings Law concerns penal provisions and stipulates that: "any person who infringes on a plant breeder right or an exclusive use right shall be punished with penal servitude not exceeding three years or a fine not exceeding three million yen." Infringement is a criminal offence subject to prosecution without complaint from a titleholder.

2.1.7 Act concerning the Circuit Layout of a Semiconductor Integrated Circuit

(Semiconductor Circuit Layout Law)

Section 51 of the Semiconductor Circuit Layout Law concerns penal provisions and stipulates that: "any person who infringes on a circuit layout right or an exclusive use right shall be punished with penal servitude not exceeding three years or a fine not exceeding one million yen." Infringement is an offence subject to prosecution only with complaint from a titleholder.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

And in particular, does this penal liability require a special intentional element?

Who has the burden of proof of this intentional element?

Is this special intentional element supposed or must it be proven positively?

2.2.0 Preliminary Notes

No intellectual property law in Japan provides penal sanctions for the acts of infringement that is committed negligently. Therefore, wilfulness is required for the penal sanction to be imposed on the infringer. Regardless of which law is concerned, an act of infringement is wilful if the infringer knows (i) what he/she is doing, and (ii) that there is an intellectual property of someone else. However, if it is likely that even a reasonable person would believe that what the infringer is doing does not infringe the intellectual property, the court finds no wilfulness.

When the court tries a criminal case, the judge may find the wilfulness based on circumstantial evidence because there is no special rule of evidence in this aspect.

In summary, the well-accepted doctrines of the criminal law also apply to infringement of the intellectual property rights.

2.2.1 Patent(including design patent)

Requirements of the penal liability are wilful infringement of a (design) patent or its exclusive license in the course of trade. Since wilfulness is one of the elements to constitute penal liability, a person who negligently infringes a (design) patent shall not be liable. As there is no article to provide that a defendant has to prove its good faith, the prosecutor is responsible to prove the wilfulness as general; that is, there is no presumption of wilfulness.

2.2.2 Utility Model

Requirements of the penal liability are wilful infringement of a utility or its exclusive license in the course of trade. Since wilfulness is one of the elements to constitute penal liability, a person who negligently infringes a utility model shall not be liable. As there is no article to provide that a defendant has to prove its good faith, the

prosecutor is responsible to prove the wilfulness as general, and there is no presumption of wilfulness.

2.2.3 Trademark

The condition of holding penal liability in trademark right infringement is that a trademark right is infringed wilfully. The burden of proof of wilfulness lies on the prosecutor side.

Wilfulness must be proven positively beyond a reasonable doubt.

2.2.4 Copyrights

The conditions of penal liability of copyright infringement are that i) the copyright is infringed and that ii) the infringement is willful.

This penal liability does not require a special intentional element except that the infringement must be willful.

The burden of proof of willfulness lies on the prosecutor.

Wilfulness must be proven positively beyond a reasonable doubt.

2.2.5 Unfair Competition Prevention Law

Criminal punishment under the Unfair Competition Prevention Law is imposed only when an unfair competition act constituting a crime is conducted intentionally. Although *dolus eventualis*, of course, constitutes a crime, negligence does not constitute a crime. According to the Japanese Criminal Law, *dolus eventualis* refers to the intention of a criminal and so it is never presumed from an objective matter. However, when a sure proof can be obtained, intention is occasionally presumed. The presence of *dolus eventualis* must be proved by a public prosecutor.

2.2.6 Seeds and Seedlings Law

Intention is required in accordance with the general principle under criminal laws in Japan.

2.2.7 Semiconductor Circuit Layout Law

Intention is required in accordance with the general principle under criminal laws in Japan.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

2.3.0 Preliminary Notes

The civil liability of an act of infringement of an intellectual property right does not require wilfulness of the infringer, while the criminal liability requires it. Therefore, it is usually unlikely that an infringer is criminally accused of infringement. Procedurally, a civil case and criminal case are completely separate even if they are concerned about the same act of infringement. The statutory limitations of civil cases are governed by the Civil Code, while those of criminal cases are governed by the Code of Criminal Procedures. Under the Civil Code, any claim under the doctrine of tort must be filed within three years from the discovery of the tort, while that under the doctrine of unjust enrichment must be filed within ten years from the act of the enrichment. On the other hand, the Code of Criminal Procedures provides terms within which the prosecutor must file an indictment against the accused. The term depends on the seriousness of the committed crime, and is calculated from the time of completion of the last act of the crime.

2.3.1 Patent (including design patent)

In civil cases, plaintiffs have to file actions to recover the damages within 3 years to claim torts, and within 10 years to claim unjust enrichment. On the other hand, the prosecutor has to file an action within 5 years to prosecute for penal liability (3 years in case of design patent).

2.3.2 Utility Model

In civil cases, plaintiffs have to file actions to recover the damages within 3 years to claim torts, and within 10 years to claim unjust enrichment. On the other hand, the prosecutor has to prosecute within 3 years for penal liability.

2.3.3 Trademark

As mentioned above, for holding penal liability in trademark right infringement, willfulness is a requisite condition. On the other hand, for holding liability for damages that is one of civil liabilities, negligence suffices the condition. In addition, Trademark Law includes a provision to presume negligence of a person who has infringed a trademark right (Section 39).

2.3.4 Copyrights

There are differences between infringement of copyrights from the point of view of the civil and penal liability. As mentioned above, the infringement has to be willful to impose penal liability. Whereas, the infringement does not have to be willful and can be caused by negligence to impose civil liability. Also, in most cases, the negligence of the infringer is supposed in civil cases.

In cases of counterfeiting, the rightholders of copyrights are likely to take criminal proceedings as well as civil proceedings, or maybe only criminal proceedings.

In civil proceedings, the rightholder can request the compensation of damages as far as he or she initiates a civil lawsuit within 10 years after the infringement. In criminal proceedings, the prosecutor will have to indict the infringer within 3 years after the infringement.

2.3.5 Unfair Competition Prevention Law

All of the acts under the Unfair Competition Prevention Law are not liable under the Criminal Law. Only particular acts are liable.

A time limit (prescription) for bringing an action claiming compensation for damages caused by illegal act terminates, in case of civil liability, in three years from the time a person who has suffered from damages knows the damages and a person who has caused the damages.

2.3.6 Seeds and Seedlings Law

The general principles of the Civil Code and the Code of Criminal Procedures also apply to this law.

2.3.7 Semiconductor Circuit Layout Law

The general principles of the Civil Code and the Code of Criminal Procedures also apply to this law.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

2.4.0 Preliminary Notes

We, the Japanese Group, have had some difficulty in understanding the question itself, especially the term "legal moral person." In giving the following answers, therefore, we have assumed that the question relates to the liability of a corporation or the like that employs the direct infringer, or counterfeiter, since our intellectual property laws do have provisions relating to such liability.

2.4.1 Patent (including design patent)

Section 201 of Patent Law (Section 74 of Design Patent Law) provides that where an officer representing a legal entity or a representative, employee or any other servant of a legal entity or of a natural person has committed wilful infringement of (design) patent with regard to the business of the legal entity or natural person, the legal entity or the natural person shall, in addition to the offender, be liable to a fine not exceeding 150,000,000 yen (100,000,000 yen in case of design patent).

2.4.2 Utility Model

Section 61 of Utility Model Law provides that where an officer representing a legal entity or a representative, employee or any other servant of a legal entity or of a natural person has committed wilful infringement of an utility model with regard to the business of the legal entity or natural person, the legal entity or the natural person shall, in addition to the offender, be liable to a fine not exceeding 100,000,000 yen.

2.4.3 Trademark

Under Article 82 of the Trademark Law, if a representative, agent, employee or any other servant of a legal entity commits an act in violation of the provision of Article 78 (trademark right infringement) in connection with the business of the legal entity, a fine up to 150 million yen shall be imposed upon the legal entity.

It is the prevailing theory that dual liability is not applied when no-fault of a corporation is supported. The judicial precedents in this respect include the decision of the Supreme Court on November 27, 1957, which relates to dual liability in the former admission tax law. In the decision, the Supreme Court adjudicates, on the ground that the spirit of dual liability resides in an inference of the existence of negligence, that when a business operation body verifies no-fault, the business operation body is not held responsible for criminal liability. In the subject case in question wherein no-fault has not been supported for a business operation body, the court accorded the application of a punishment to the business operation body.

2.4.4 Copyrights

Under Article 124 of the Copyright Law, if a representative, agent, employee or a worker of a legal entity violates the provisions of Article 119 (Copyright infringement) in connection with the business of the legal entity, a fine up to 100 million Yen is imposed upon such legal entity. Under this Article, if a representative, agent, employee or a worker of the entity is found guilty under the charges of copyright infringement, the penalty is imposed on the entity unless the entity proves that there was no negligence on the entity's side.

2.4.5 Unfair Competition Prevention Law

As previously mentioned, there is a stipulation of dual liability for condemning a legal entity, etc.

2.4.6 Seeds and Seedlings Law

Dual liability is provided against employers or corporations to which persons who committed acts of infringement belonged. The upper limits for the criminal fines are the same as those against actual infringers as in Section 56.

2.4.7 Semiconductor Circuit Layout Law

Dual liability is provided against employers or corporations to which persons who committed acts of infringement belonged. The upper limits for the criminal fines are the same as those against actual infringers as in Section 51.

- 2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

2.5.1 Patent (including design patent)

A penal court has the capacity to rule on the question of the validity of (design) patents. However, there was an issue in the past whether a court itself has the capacity to rule on the question of the validity without a judgement by the Patent Office. Until recently, it had been said that the Patent Office had the exclusive capacity to invalidate (design) patent rights, and courts might not judge on the validity. Thus a defendant against whom a penal court judged needed to go to the Patent Office in order to challenge the validity. This interpretation was overruled, and it is said that a penal court has the capacity to validate (design) patents today.

2.5.2 Utility Model

A penal court has the capacity to rule on the question of the validity of utility models. However, there was an issue in the past whether a court itself has the capacity to rule on the question of the validity without a judgement by the Patent Office. Until recently, it had been said that the Patent Office had the exclusive capacity to invalidate utility models, and courts might not judge on the validity. Thus a defendant against whom a penal court judged needed to go to the Patent Office in order to challenge the validity. This interpretation was overruled, and it is said that a penal court has the capacity to validate utility models today.

2.5.3 Trademark

A penal court can make a judgement on the validity of a trademark right, on the ground that Supreme Court judgment of April 11, 2000 has replaced the Supreme Court precedent of 1903 that had been the precedent grounds

2.5.4 Copyrights

We do not usually say that a copyright is "valid" or "invalid." We usually say that a copyright exists or not. Since existence of a copyright is prerequisite to impose a penal sanction on copying something, or even for an act of copying to be regarded as infringement, a penal court has the capacity to adjudicate on the question of existence of a copyright before imposing a penal sanction on the accused infringer.

2.5.5 Unfair Competition Prevention Law

A person who has suffered from business interest or who has a certain danger of being suffered from business interest by an unfair competition action made by others can seek both civil and criminal action against them. However, the presence of business interest to be protected can be a subject to be disputed.

2.5.6 Seeds and Seedlings Law

Even without formal cancellation of the recordation of the plant variety, a penal court may acquit the accused infringer for the reason that the recordation is invalid.

2.5.7 Semiconductor Circuit Layout Law

The same principle that is applicable to other intellectual property laws also applies to the Semiconductor Circuit Layout Law

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

2.6.1 Patent (including design patent)

Sanctions imposed on the acts of (design) patent infringement may not exceed 5-year imprisonment or a fine for 5,000,000 yen (in case of design patent, not exceed 3-year imprisonment or a fine for 3,000,000). Also, where an officer representing a legal entity or a representative, employee or any other servant of a legal entity or of a natural person has infringed a patent, the legal entity or the natural person shall, in addition to the offender, be liable to a fine not exceeding 150,000,000 yen (100,000,000 yen in case of design patent).

Since parties and elements are very different between penal cases and civil cases, and there is no provision of such merger, penal court is not qualified to allocate damages in repair of the damages undergone by the victims of the acts of counterfeiting.

2.6.2 Utility Model

Sanctions imposed on the acts of utility model infringement may not exceed 3-year imprisonment or a fine for 3,000,000 yen. Also, where an officer representing a legal entity or a representative, employee or any other servant of a legal entity or of a natural person has infringed a utility model, the legal entity or the natural person shall, in addition to the offender, be liable to a fine not exceeding 100,000,000 yen.

Since parties and elements are very different between penal cases and civil cases, and there is no provision of such merger, penal court is not qualified to allocate damages in repair of the damages undergone by the victims of the acts of counterfeiting.

2.6.4 Trade Mark

Trademark Law includes the following penal provisions;

Section 78.

Any person who has infringed a trademark right or a right of exclusive use shall be liable to imprisonment with labor not exceeding five years or to a fine not exceeding 5,000,000 yen.

Section 82.

Where an officer representing a legal entity or a representative, employee or any other servant of a legal entity or of a natural person has committed an act in violation of the following paragraphs with regard to the business of the legal entity or natural person, the legal entity shall, in addition to the offender, be liable to the fine prescribed in the following paragraphs and the natural person shall be liable to the fine prescribed in those sections:

- i) Section 78, subject to a fine up to 150 million yen;
- ii) Section 79 or 80, subject to a fine up to 100 million yen.

2.6.4 Copyrights

As mentioned above, the person who infringes copyright shall be punishable by imprisonment for a term not exceeding 3 years or a fine not exceeding 3 million Yen. Also, as mentioned above, a legal entity who has a representative, agent, employee or a worker who has infringed a copyright willfully in relation to the business of the entity shall be punishable by a fine not exceeding 100 million Yen.

In theory, the Courts may forfeit any profits derived from the willful infringement of copyrights, but cannot allocate such profits to the repair of damage.

2.6.5 Unfair Competition Prevention Law

- (1) Article 13. - Any person who falls under any of the following items shall be sentenced to imprisonment for a term not exceeding three years or fined an amount not exceeding \3,000,000:

- 1) a person who commits, for an unfair purpose, any act of unfair competition described in Article 2 (1) item 1 or 10;
- 2) a person (excluding a person described in the preceding item) who indicates a falsehood on goods or for service, or in an advertisement or in a document or correspondence used for a transaction, which is likely to cause misleading, with respect to the place of origin, quality, contents, manufacturing method, use or quantity of such goods or the quality, contents, use or quantity of such service;

(2) Article 14. - In the case where a representative of a juridical person or an agent, servant or other employee of a juridical person or a natural person has committed, in connection with the business of such juridical or natural person, any of the violations described in the preceding article, in addition to the violator being penalised, such a juridical person shall be fined an amount not exceeding ¥300,000,000 and such a natural person shall be liable to the same fine described in the preceding article.

(3) A criminal court handling a criminal action does not handle a civil action. However, if a compromise has been reached in a civil case and a plaintiff has paid a compromise money to a defendant, there is a chance that the circumstances are taken into consideration in the examination in a criminal case.

2.6.6 Seeds and Seedlings Law

The information is given in 2.1.6.

2.6.7 Semiconductor Circuit Layout Law

The information is given in 2.1.7.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

2.7.0 Preliminary Notes

Regardless of whether an intellectual property law requires a formal accusation by the victim to commence and continue the criminal process, it is practically usual that no penal action takes place regarding infringement of a patent, a utility model, a trade mark, a design patent, a copyright, a right under the Unfair Competition Prevention Law, a right under the Seeds and Seedling Law, or a right under the Semiconductor Circuit Layout Law unless the rightholder files a complaint.

2.7.1 Patent (including design patent)

From 1995 to 1999, there were 8 cases of patent infringement that the prosecutors' office took up, but none of them were prosecuted.

2.7.2 Utility Model

There are not statistics on utility model infringement.

2.7.3 Trademark

An infringement of a trademark right is not an offence subject to prosecution only upon complaint.

In the year 1999, there were 248 cases of trademark infringement that the prosecutors office took up, 65 of which went to trial and 124 went to summary proceedings where the accused is fined up to 500 thousand Yen. There were 146 cases where the accused was sentenced to imprisonment from 1994 to 1998, but in most cases

(except 16), the execution was suspended. The average sentence is around 1 year of imprisonment if it goes to trial.

2.7.4 Copyrights

In the year 1999, there were 153 cases of copyright infringement that the prosecutors office took up, 35 of which went to trial and 77 went to summary proceedings where the accused is fined up to 500 thousand Yen. There were 64 cases where the accused was sentenced to imprisonment from 1994 to 1998, but in most cases (except 3), the execution was suspended. The average sentence is around 1 year of imprisonment if it goes to trial.

2.7.5 Unfair Competition Prevention Law

From 1995 to 1999, there were 68 cases of act of unfair competition that the prosecutors office took up, 6 of which went to trial and 13 went to summary proceedings where the accused is fined up to 500 thousand Yen. There were 8 cases where the accused was sentenced to imprisonment from 1994 to 1998, but in every case, the execution was suspended. The average sentence is around 1 year of imprisonment if it goes to trial.

2.7.6 Seeds and Seedlings Law

There are no statistics concerning the Seeds and Seedlings Law.

2.7.7 Semiconductor Circuit Layout Law

There are no statistics concerning the Act concerning Circuit Layout of a Semiconductor Integrated Circuit.

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

2.8.0 Preliminary Notes

Under the well-accepted theory of the criminal law, an offender is still guilty even if he/she did not know that his/her act was illegal at the time of act. However, when he/she committed a crime in a situation in which even a reasonable person could have believed that his act was not illegal, a court cannot find wilfulness in his act. This theory also applies to an act of infringement of an intellectual property right. If the infringed right is a trademark right or a copyright, wilfulness can be easily found. For example, if a reasonable person knows that he is using a mark, and that a trademark registration exists for a mark that is objectively similar to the one he is using, he should know that the act of using that mark is illegal. However, it is not so simple if the infringed right is a patent. Even if he knows that he is making a certain mechanism, and that there is a patent with a certain claim language that objectively covers the mechanism he is making, he may still believe that the mechanism he is making is outside the scope of the claim. If a court faces this problem, it will likely consider the recklessness of the offender.

2.8.1 Patent (including design patent)

In the event that a third party expert, such as an attorney or patent attorney, judged a (design) patent was invalid, and that the defendant used the patented technology or design relying upon the expert's judgment, the willfulness of the defendant would be probably denied even if the (design) patent is ultimately judged as valid by a court or the Patent Office. The same theory should apply to the case of infringement/non-infringement judgement.

2.8.2 Utility Model

The same theory as stated above with respect to patents should also apply to the utility model right with more likelihood of application because utility model registrations are made without examination and their validity is easily challenged.

2.8.3 Trademark

A judgment by an expert witness (a written statement of an expert opinion) might be adopted in evidence if circumstances require.

2.8.4 Copyrights

The applicable theory should be the same as discussed above. However, the question is not the validity, but the copyrightability of the item that the offender copied. If the court finds that the copied item is copyrightable, but that it was not totally unreasonable to believe at the time of act that it was not copyrightable, the court may acquit the accused. Although the court should itself judge the copyrightability, it is not precluded from referring to the opinions of experts.

2.8.5 Unfair Competition Prevention Law

An expert's written opinion prepared by a professor of an university, or others, is occasionally submitted, either before or after a public prosecutor's lodgement of an appeal, by a suspect or plaintiff in order his legality. The expert's written opinion sometimes brings about a stay of execution from a public prosecutor or a judgment of "not guilty" in a court. Occasionally, a to warrant public prosecutor submits an expert's written opinion prepared by a third party, after lodgement of an appeal.

2.8.6 Seeds and Seedlings Law

The applicable theory should be the same as the one applicable to other intellectual property rights.

2.8.7 Semiconductor Circuit Layout Law

The applicable theory should be the same as the one applicable to other intellectual property rights.

2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

2.9.1 Patent (including design patent)

Penal sanctions against patent infringers should be used modestly. In most cases, a civil action is appropriate and sufficient. However, there are cases in which the offender knowingly counterfeits a patented product. Therefore, the patent law should provide provisions for penal sanctions as safeguard. To avoid excessive use of penal sanctions against patent infringers, we believe that it is necessary to sophisticate the theory of wilfulness as applied to patent infringement. As to procedural matters, we believe that the criminal process should be commenced only after the patent owner presents his/her formal accusation against the infringer. In this regard, we do not support the recent patent law amendment that removed the provision requiring a formal accusation for commencement of the criminal process.

2.9.2 Utility Model

Utility models should be treated in the same manner as patents.

2.9.3 Trademark

Penal sanctions against trademark infringers are often necessary. They provide useful measures to cope with counterfeiters. Because counterfeit goods deceive consumers, the Japanese law does not require formal accusation for the criminal process to commence. We support this approach, although, as a matter of practice, a letter of formal accusation is usually presented by the trademark owner.

2.9.4 Copyrights

We believe that penal sanctions are sometimes appropriate with respect to copyright infringement. For example, copying home video movies for sale cannot be stopped easily by a civil action seeking injunction because the infringer can easily set up a new entity to avoid execution of an injunctive order. Because infringement of a copyright does not directly cause damage to consumers, it is appropriate that the law requires a formal accusation by the copyright owner to commence criminal process.

2.9.5 Unfair Competition Prevention Law

The punitive provisions stipulated in the Unfair Competition Prevention Law have also a sufficient effect for preventing an occurrence of an unfair competition action. At a time of sending a written warning to a person who is supposed to have conducted an unfair competition action, it is a normal practice to include in the written warning a sentence reading as "both civil and criminal liability is condemned". Therefore, the punitive provisions stipulated in the Unfair Competition Prevention Law can be considered as equivalent to those in the design rights infringement/trademark rights infringement.

2.9.6 Seeds and Seedlings Law

The approach should be the same as the one discussed with respect to patents.

2.9.7 Semiconductor Circuit Layout Law

The approach should be the same as the one discussed with respect to patents.

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of an harmonization at the international level.

3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

We take the position that penal sanctions are necessary for all the intellectual property rights. However, the necessary level of wilfulness should be different from one to another. When this question was discussed in Rio de Janeiro in 1998, the Q134 working committee drafted a resolution reading: "The infringement of a patent, under certain circumstances to be defined, should constitute a criminal offence. Such circumstances include wilful infringement of the patent absent any reasonable defence, or at least wilful infringement carried out after the patent has been confirmed valid and activity such as complained of has been adjudged to be an infringement." Although the wording may need fine-tuning, we basically support the direction expressed in the 1998 working committee draft.

3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

As we have already discussed in "2. Substantive Law", the general theory that is well-accepted in the criminal law should also apply to willful infringement of intellectual property rights. The burden of proof should be on the prosecutor's side as with other criminal offences. There should be no special rule of evidence to prove the willfulness. Without explicit admission by the accused, the intention may be inferred from circumstantial evidence.

3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

Regardless of whether the case is civil or criminal, the validity of the intellectual property is the prerequisite for pursuing the legal action. Therefore, the judge have to rule on the validity of the intellectual property infringement of which is reproached. In a civil action, invalidity of the intellectual property is regarded as affirmative defence, and the infringer bears the burden of proof. The required level of proof is preponderance of evidence. In a criminal case, however, the burden of proof is always borne by the prosecutor. If the validity of the

intellectual property is challenged, therefore, he must show beyond reasonable doubt that it is valid. In addition, if the court finds that it was not unreasonable that the accused person believed at the time of act that the intellectual property was invalid, it must acquit him. Unless the court itself considers and examines the validity of the intellectual property, it would be unable to make this judgment.

3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

The master of the criminal proceedings should be always the public prosecutor. However, unlike theft of movable properties, intellectual property infringement is not a serious social threat. Therefore, if the owner of the intellectual property does not want the offender to be prosecuted, no criminal process should commence, and, if already commenced, it should be discontinued. Although a settlement may cause the owner of the intellectual property to withdraw a formal accusation against the offender, he should not actively use the criminal proceedings as a tool for settlement. On the other hand, using documents from the criminal proceedings as evidence for a civil case should be permissible. However, it is not unique in intellectual property infringement cases. In a personal injury case resulting from a car accident, documents from the police investigation may be used to prove the cause of the accident. We do not think that a special rule must be provided for intellectual property infringement cases.

4. **Various**

The groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.

Indeed, taking into account the pioneer character of the question, the AIPPI wishes to profit from the experience of the national and regional groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

We do not think that the subject is new to the AIPPI. In the Q134 working committee of 1998, it was agreed to have a resolution on this subject focusing on patents. Some committee members proposed that a resolution should be also taken with respect to trademarks, but the committee declined to propose a draft because provisions for penal sanctions against trademark infringement were already adopted in most countries. In revisiting this subject again, we would like to have the meaning of the adverb "willfully" clarified. As speakers of English as a foreign language, we, Japanese, have difficulty in distinguishing "willfully," "intentionally," "deliberately," and "knowingly." We are also concerned that translations in three languages will cause confusion and force us to waste time.

Summary

Japan has a Patent Law, a Utility Model Law, a Design Patent Law, a Trademark Law, a Copyright Law, an Unfair Competition Prevention Law, a Seed and Seedlings Law, and a Semiconductor Circuit Layout Law. All these law provide penal sanctions. Although there are some differences, they are similar to one another. All of them provide fines and imprisonment as penal sanctions that may be selectively imposed depending on the seriousness of the committed violation. One distinct difference among the laws is whether commencement and continuance of criminal process require a formal accusation by the victim. For example, the Trademark Law does not require such an accusation, but the Copyright Law does. Until recently, the Patent Law also required such an accusation, but it has been amended not to require it. AIPPI Japan considers this amendment as questionable.

Another aspect that should be noted is that the criminal process is completely separate from the civil process in Japan. Only public prosecutors can file indictments. Although the victim may file a letter of accusation with the police or the office of public prosecutors, it can only trigger the investigation by them. When they find that there has been an act of violation of an intellectual property law, they still have discretion as to whether an indictment should be filed against the accused. When a law requires a formal accusation by the victim for commencement and continuance of criminal process, however, withdrawal of the accusation causes discontinuance of the process unless an indictment has been already filed.

Résumé

Le Japon dispose d'un droit des brevets, d'un droit des modèles d'utilité, d'un droit des brevets de dessin ou modèle, d'un droit des marques, d'une loi sur le droit d'auteur, d'un droit de protection contre la concurrence déloyale, d'un droit relatif aux graines et semis, et d'un droit relatif aux schémas de configuration des circuits intégrés. Tous ces droits prévoient des sanctions pénales. Bien qu'ils diffèrent à certains égards, il n'en reste pas moins que ces droits se ressemblent. Ils prévoient tous des sanctions pénales du type amendes et emprisonnement, qui peuvent être imposées de façon sélective en fonction de l'importance de l'infraction commise. Une différence notable entre ces droits réside dans la nécessité ou non que la victime ait déposé une plainte formelle pour lancer et poursuivre la procédure criminelle. Par exemple, contrairement à la loi sur le droit d'auteur, le droit des marques ne requiert pas une telle accusation. Il y a encore peu de temps, le droit des brevets nécessitait également une telle accusation, mais à la suite d'une modification du droit cela n'est plus le cas. AIPPI Japon estime que le bien-fondé de cette modification est discutable.

Il faut également noter que les procédures criminelle et civile japonaises sont tout à fait distinctes. Seuls les procureurs généraux peuvent mettre en accusation. Bien que la victime puisse porter plainte auprès de la police ou du parquet général, elle ne peut que déclencher l'enquête que ces derniers mèneront. S'ils découvrent qu'il y a eu infraction au droit de la propriété intellectuelle, ils sont libres de mettre en accusation l'accusé ou non. Toutefois, lorsque le droit exige que la victime dépose une plainte formelle pour lancer et poursuivre la procédure criminelle, tout retrait de l'accusation entraîne l'arrêt de la procédure à moins qu'il y ait déjà eu mise en accusation.

Zusammenfassung

Japan hat ein Patentgesetz, ein Gebrauchsmustergesetz, ein Geschmacksmustergesetz, ein Markengesetz, ein Urheberrechtsgesetz, ein Gesetz gegen unfairen Wettbewerb, ein Saatgut- und Pflanzenschutzgesetz und ein Halbleiterschutzgesetz. All diese Gesetze sehen Strafsanktionen vor. Obwohl diese Unterschiede aufweisen, sind sie jedoch einander ähnlich. All diese Gesetze sehen Geldstrafen und Gefängnisstrafen als Strafsanktionen vor, die wahlweise, abhängig von der Ernsthaftigkeit der begangenen Zuwiderhandlung, verhängt werden. Ein wesentlicher Unterschied zwischen den Gesetzen besteht darin, ob Beginn und Fortsetzung der kriminellen Handlung eine formelle Anschuldigung durch einen Geschädigten erfordern. Das Markengesetz erfordert z.B. keine solche Anschuldigung, jedoch das Urheberrechtsgesetz. Bis vor kurzem erforderte das Patentgesetz auch solch eine Anschuldigung, aber durch Änderung ist dies entfallen. AIPPI Japan betrachtet diese Änderung als fragwürdig.

Ein weiterer Aspekt, der herauszustellen ist, ist, dass in Japan das Strafverfahren von dem Zivilverfahren vollständig separiert ist. Nur öffentliche Staatsanwälte können Anklagen einreichen. Obwohl die Geschädigten eine Strafanzeige bei der Polizei oder dem Büro des öffentlichen Staatsanwalts einreichen können, führt dies nur zur Einleitung der Ermittlung. Wenn festgestellt wurde, dass eine Zuwiderhandlung zu einem Gesetz über geistiges Eigentum erfolgte, liegt es weiterhin in seiner Entscheidung, ob er eine Anklage gegen den Beklagten erhebt oder nicht. Wenn ein Gesetz eine formelle Anschuldigung durch einen Geschädigten für den Beginn und das Weiterführen eines Strafverfahrens benötigt, führt jedoch der Widerruf der Anschuldigung zur Beendigung des Verfahrens, es sei denn, dass bereits Anklage erhoben wurde.

Report Q169

in the name of the Latvian Group
by Armins PETERSONS, Gatis MERZVINSKIS

Criminal law sanctions with regard to the infringement of intellectual property rights

Introduction

During the Soviet regime in the territory of Latvia (the former Latvian Soviet Socialist Republic - LSSR), at first, there was in force the Penal Code of the Russian Soviet Federative Socialist Republic from November 25, 1940 till March 31, 1961 and then on January 6, 1961 there was adopted the Criminal Law of the Latvian Soviet Socialist Republic. After re-gaining of the independence in 1991 in the territory of the Republic of Latvia with the Decision adopted on August, 1991 by the Supreme Council of the Latvian Republic there were applied the LSSR legislation to the territory of the independent Latvia and there was still in force the LSSR Penal Code re-named as the Latvian Republic Penal Code. The latter law underwent sharp changes and there were already elaborated new regulations regarding the penal liability and sanctions for the acts of deliberate infringements of copyright and inventor's rights. On June 17, 1998 the Parliament of the Republic of Latvia (the Saeima) adopted a new Criminal Law of the Republic of Latvia and this Law is in force since April 1, 1999. With the entering into force of the Criminal Law there was declared as null and void the previous Criminal Law i.e. the Penal Code of the Latvian Republic.

During the elaboration of the new Criminal Law of the Republic of Latvia (*hereinafter the Latvian Criminal Law*) there were used some regulations of previous Penal Code, of the Penal Law of the Republic of Latvia which was in force during the first independence period of the Republic of Latvia (1918 - 1939) as well as there were carefully studied the practice and regulations of the Criminal Laws of other European countries and taken into account the suggestions, advises and comments of the legal experts of the western European countries. Since the Latvian Criminal Law is rather new it is highly harmonized with the EU legislation.

2. Substantive law

The legal system currently into force in Latvia from the point of view of the implementation of the penal sanctions of the intellectual property rights:

In the Republic of Latvia there are in force several laws providing the application of liability and sanctions for the acts of intellectual property infringements relating to trademarks, patents, designs, copyright, unfair competition and patents of plants.

The penal liability for the acts of the infringements of the intellectual property rights envisage the following laws of the Republic of Latvia:

- 1. The Law on Trademarks and Indications of Geographical Origin of the Republic of Latvia**, Article 28, Paragraph 7 provides "**Liability for Unlawful Use of a Trademark**"

"(7) In cases where trademark infringement has been done deliberately or with malicious intent, the persons responsible shall also be called to administrative or criminal liability."

2. **The Patent Law of the Republic of Latvia**, Article 45, Paragraph 4 provides "**Protection against Patent Infringement**"

"(4) If the fact of patent infringement is proved, the court, upon the claim of the aggrieved party, makes a judgement which, depending on the degree of the guilt of the infringer. Paragraphs 2 and 3 of this article, shall include one or more of the following sanctions: 1) termination of the use of the invention; 2) seizure of the patented articles or articles of which the patented articles are integral parts of, as well as awarding these articles to the aggrieved party; 3) reimbursement of damages caused as a result of the infringement, including reimbursement of unrealized profit; 4) allotment of the profits to the aggrieved party, completely or in part, which the infringer has received as a result of the illicit use of the invention; and 5) cover of court costs. "

Article 43. **Protection of the inventor's rights** (1) The author of the invention has a right to be mentioned as the inventor in all documents and papers related to the grant of patent. These rights shall not be transferred to another person or be inherited. (2) In case of violation, the rights referred to in Paragraph 1 of this Article may be protected in the same procedure by which copyrights are protected."

3. **The Law on Industrial Design Protection of the Republic of Latvia**, Article 24, provides "**Liability for infringement of the rights of designers**"

"Article 24, Criminal responsibility shall be applicable in accordance with law for the misappropriation of authorship, non-voluntary renunciation of authorship, compulsion to co-authorship and the disclosure of the essence of the industrial design without the designer's consent, before the designer or his legal successor, or the Patent Office, has published the application materials."

and the Article 25 provides "**Liability for infringement of the rights of patent owner**"

"(1) Any use of an industrial design which contradicts this Law shall be considered a patent infringement.

(2) At the patent owner's request, a patent infringement must be discontinued, thereby compensating the owner for any losses that have arisen thereof.

(3) Depending on the nature and effects of the infringement, the court may simultaneously, together with having the infringer compensate for losses, impose a fine on the infringer, as well as may order the confiscation, destruction, or detainment of the illegal articles and the equipment used in their manufacture, and demand that they be sold at cost to the patent owner or that they be transferred to use for charitable purposes."

4. **The Law on Copyrights of the Republic of Latvia**, Article 57 provides

"Article 57. Responsibility for violations of copyright and neighbouring rights Depending on the nature and consequences of the violation of copyright and/or neighbouring rights, the violator may be charged with civil, administrative or criminal responsibility pursuant to legislation in effect in the Republic of Latvia."

5. **The Competition Law of the Republic of Latvia**, Article 24, Paragraph 4 provides "**Responsibility for unfair competition and misleading advertisement**"

"Article 24. Responsibility for unfair competition and misleading advertisement

(4) For repeated inobservance of the provisions of the above law the guilty natural person (functionary) may be called to the penal liability."

2.1 *If the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyrights.*

In the Criminal Law of the Republic of Latvia there were introduced the provisions envisaged by the Article 61 of the TRIPS Treaty regarding both to the trademarks, to copyrights and inventions.

The Article 206 of the Criminal Law of the Republic of Latvia provides the penal liability and sanctions concerning unauthorized use and counterfeiting of a trademark and any other distinguishing sign

Article 206. Unauthorized use and counterfeiting of a trademark and other distinguishing sign -

"(1) For the use, counterfeiting of another person's trademark as well as any other sign used to distinguish another person's goods or services, or for the deliberate use or distribution of a counterfeited mark

- the penalty may be the imprisonment for a term up to one year or the arrest or the compulsory labour, or a fine up to fifty minimal monthly wages.

(2) For a person who commits the same actions, if there has been caused an essential damage to the State, or to any person's rights and interests protected by law,

- the penalty may be the imprisonment for a term up to five years or a fine up to eighty minimal monthly wages."

Additionally the Criminal Law of the Republic of Latvia provides the penal sanctions for violation of inventor's rights

Article 147. Violation of Inventor's Rights

"(1) For a person who commits deliberate disclosure of an invention without the consent of the owner of the invention right prior to the application for a patent, or commits appropriation of authorship or compelling of joint authorship of an invention,

- the penalty is deprivation of liberty for a term up to three years, or custodial arrest, or a fine up to fifty minimal monthly wages.

(2) For a person who commits compelling, by means of violence, threats of violence or blackmail, the renouncing of an invention or commits compelling, by such means, joint authorship thereof,

- the penalty is deprivation of liberty for a term five years, or custodial arrest, or a fine up to hundred minimal monthly wages."

As concerns the penal liability and sanctions for infringement of copyright the Criminal Law of the Republic of Latvia covers the following articles"

Article 148. Infringement of Copyright and Neighbouring Rights

"(1) For a person who commits deliberate infringement of copyright or neighbouring rights, if such is committed by infringing the rights of the author regarding to publishing or communication and use of the work, or by infringing the rights of the owners of neighbouring rights,

- the penalty is community service, or a fine up to sixty minimal monthly wages, with or without confiscation of property.

(2) For a person who commits the same acts, if commission thereof is repeated, or is by a group of persons pursuant to prior agreement,

- the penalty is deprivation of liberty for a term up to five years, or arrest, or a fine up to hundred minimal monthly wages, with or without confiscation of property.

(3) For a person who commits appropriation of copyright or compelling, by means of violence, threats of violence or blackmail, the renouncing of authorship or commits compelling joint authorship,

- the penalty is deprivation of liberty for a term up to five years, or a fine up to hundred and sixty minimal monthly wages, with or without confiscation of property."

Article 149. Unlawful Acts with Objects of Copyright and Neighbouring Rights

"(1) For a person who commits acts unlawful sale of objects of copyright and neighbouring rights, or deriving of other financial benefit from the use of such objects, as are published, communicated, performed in public or otherwise used, infringing copyright or neighbouring rights,

- the penalty is deprivation of liberty for a term up to two years, or arrest, or a fine up to eighty minimal monthly wages, with or without confiscation of property.

(2) For a person who commits acquisition of the objects set out in Paragraph one of this article for purposes of gaining for realization, of storage or concealment,

- the penalty is community service, or a fine up to forty minimal monthly wages, with or without confiscation of property."

The national laws which provide the penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on.

As the above-indicated the scopes of protection of the patent rights as well as the sanctions for the acts of infringement is provided only by the Patent Law. The Patent Law of the Republic of Latvia does not provide the penal liability for the acts of the infringement of patent rights. As concerns the protection of the inventor's rights in case of violation of these rights, pursuant to the Patent Law, may be protected in the procedure by which copyrights are protected and therefore regarding to these cases one may also apply the article, 147, 148 and 149 of the Criminal Law. The models (industrial designs) and the rights thereof are protected against the violation, corresponding to the gravity of the infringement, both by the Latvian Law on Industrial Designs which directly applies the criminal liability for such violations and by the Criminal Law. As regards the unfair competition the sanctions are provided in the Competition Law as well as the Criminal Law, article 211, provides criminal liability and penalty sanctions for the unfair competition and misleading advertising -

Article 211. Unfair Competition and Misleading Advertising

"For a person who commits acts of unfair competition or misleading advertising if commission of such offences is repeated within a period of one year

- the penalty is deprivation of liberty for a term up to two years or a fine up to eighty minimal monthly wages, with or without deprivation of the rights to engage in entrepreneurial activities for a term from two till five years."

2.2 *The conditions of the penal liability for the acts for infringement of the intellectual property rights.*

And in particular, whether this penal liability require a special intentional element.

Yes, it does. If there are not any evidences or insignificant amount of evidences to prove the deliberate / intentional infringement of the intellectual property rights then it is indeed rather difficult to claim for application of the criminal liability.

Who has the burden of proof of this intentional element?

The prosecutor party's duty is to introduce enough evidences to prove the infringer's intentional element.

Whether this special intentional element is supposed or it must be proven positively.

In order to apply the criminal sanctions the special intentional element must be proven positively.

2.3 *If there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

Yes, there are differences. The penal liability may be applied to all intentional / deliberated acts of infringement committed by appropriation of authorship of an invention and copyrights or compelling of joint authorship of an invention and copyrights, especially if these acts involve violence, threats of violence or blackmail, if these acts are repeated and committed by a person or a group of persons pursuant to prior agreement as well as for unlaw-

ful sale or any other acts deriving of financial benefits from the use of the objects of copy-rights and neighbouring rights.

If the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

Actually it is possible to engage both but the penal liability especially if the acts of counterfeiting may be proved with real facts confirming intentional element or there is caused substantial harm to the state or to by law protected rights and interests of a person.

2.4 *If the Latvian laws provide the penal liability against a legal moral person for acts of counterfeiting.*

Yes, they do.

2.5 *Whether the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or this appreciation is only the concern of a civil jurisdiction?*

The question of the validity of an intellectual property right is only the concern of a civil jurisdiction.

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

Yes it is possible.

2.6 *Which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Please, see 2.1.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

Actually in Latvia there have not been held any criminal proceeding related with the infringements of intellectual property rights. The owners of the ineffectual property rights more often resort to the civil procedures and refrains from the penal procedures.

If there exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

Such data are not available.

2.8 *To describe the role of the technical experts in this penal procedure.*

In the civil cases the parties involved in a dispute may ask the court to summon to the hearing a technical expert and to listen to the expert's opinion in the particular matter but the court may ask also the parties to chose an independent technical expert. As concerns patents and designs then the expert's opinion will be one of the most important for the judges to base their final decision. In the Latvian courts the Judges usually are not so qualified in estimation and understanding of technical nuances. As concerns the role of the technical experts in the penal procedure then we must say that since in Latvia there has not been reviewed any criminal case so far then it is indeed rather difficult to imagine what role the technical experts could play in the penal procedure.

If the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

Sure, the opinions of the technical experts can be used as one of the basic factors.

- 2.9 *Lastly, the general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

In Latvia the penal liability are not applied at all because the owners of the infringed intellectual property rights as well as their authorized representatives are more familiar with the civil procedures than the penal.

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonization at the international level.

Taking into account the penal sanctions, objects of intellectual property rights and acts of infringements mentioned in the Criminal Law of the Republic of Latvia, our opinion is that this law covers all the basic and the most significant penal liabilities and sanctions for the acts of the infringement of intellectual property rights. Since this Law, if one may say so, is rather new both for the Latvian public as well as for our courts, especially regarding to the intellectual property rights, then it is possible to assume that for the future we will have to learn how to work with these provisions of this law to protect our local and foreign owners of the intellectual property rights.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

Yes, it could be advisable.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

In order to apply the penal liability to the authors of the infringement of intellectual property rights there must be proved that this violation was committed deliberately.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

In our opinion, as far as it concerns Latvia and our Judges, the Penal Judge should leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office. In Latvia the Penal Judges are not so skilled and qualified to review the validity of an intellectual property rights.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Without doubts!!!!

Summary

Since Latvia is a member of the World Trade Organization and has joined to the TRIPS Agreement, the Latvian Criminal Law as well as other legislation are in compliance with this international agreement. The Criminal Law of the Republic of Latvia provides the penal liability and penal sanctions in the cases of wilful trademark counterfeiting and copyright piracy, infringement of inventor's rights, unfair competition. As concerns the remedies envisaged by the Article 61 of the TRIPS

Agreement, the Latvian Criminal Law covers both imprisonment and monetary fines for crimes of a corresponding gravity. In Latvia there is practically no experience or any precedent regarding to the application of the penal liability and sanctions for the acts of counterfeiting or of the infringement of the intellectual property rights. We can say that the Latvian Criminal law is theoretically harmonized with the EU legislation and with the provisions of the TRIPS Agreement but in practice the articles of the Criminal Law provided for the application of the penal liability have not been used yet.

Rapport Q169

au nom du groupe luxembourgeois
par David PATRY (Avocat à la Cour)

Les sanctions pénales relatives à la violation des droits de propriété intellectuelle

2. Le droit positif

2.1 *Propriété intellectuelle et sanctions pénales*

En matière de marque, la convention Bénélux, signée à Bruxelles le 1er mars 1962, est applicable au Luxembourg depuis le 1er janvier 1971. Celle-ci organise les marques de produits et de services Bénélux.

La loi uniforme ne prévoit pas de sanctions pénales en cas de contrefaçon, mais laisse cette possibilité aux législateurs nationaux. Un débat a existé au Grand-Duché pour savoir si la loi de 1966, portant approbation de la convention, avait abrogé les dispositions pénales présentes dans l'ancien régime (loi du 18 mars 1833). Après quelques discussions doctrinales et quelques décisions de justice, il est aujourd'hui reconnu que la voie répressive n'existe plus dans le droit des marques.

Dans ces conditions une modification devra intervenir afin que le Luxembourg mette sa législation en conformité avec ses engagements internationaux.

Les dessins et modèles sont eux aussi régis par une loi uniforme Bénélux - convention de Bruxelles signée le 25 octobre 1966 et approuvée par la loi du 13 juillet 1973 - qui ne prévoit pas de sanctions pénales. Le droit luxembourgeois restant muet, l'action devant le juge correctionnel est impossible.

Pour les brevets d'invention, la loi du 20 juillet 1992 qui organise la protection ne fait aucune référence à une possible sanction pénale.

Les topographies de semi-conducteurs sont régies par la loi du 29 décembre 1988 qui reprend la directive européenne du 11 décembre 1986. Selon l'article 4-6 de la loi, les topographies bénéficient de la même protection que les brevets, ce qui exclu toute répression pénale.

Le secret de fabrique bénéficie d'une protection pénale par l'article 309 du code pénal (loi du 15 juillet 1993).

Les droits d'auteur, les droits voisins et les droits relatifs aux bases de données sont, en vertu de la loi du 18 avril 2001, susceptibles d'être protégés par une action devant le juge pénal.

L'article 191 du code pénal complète cette protection du droit d'auteur en cas "d'apposition par addition, retranchement ou altération quelconque, sur des objets fabriqués, du nom d'un fabricant autre que celui de l'auteur véritable".

En cas de concurrence déloyale la loi du 27 novembre 1986 prévoit dans son article 23 la possibilité d'une amende pénale.

Pour conclure ce rapide tableau de la législation luxembourgeoise en matière de droit de la propriété intellectuelle, doit être apporté un bémol. En effet, s'applique dans le droit luxembourgeois le principe de "l'unité de l'art" qui permet dans certains cas un cumul de protection. Comme le prévoit la directive européenne du 13 octobre 1998 pour les dessins et modèles, ces derniers bénéficient de la protection par le droit d'auteur, et donc, peuvent être protégés au pénal en application de la loi du 18 avril 2001 en qualité d'œuvre de l'esprit originale. Ce cumul sera également accessible toutes les fois où la marque remplira la condition d'originalité.

Dans la pratique, il est donc tout à fait possible, dans la très grande majorité des cas, de faire sanctionner devant le juge correctionnel une contrefaçon de dessin et modèle ou de marque par le biais du droit d'auteur.

2.2 *Responsabilité pénale et intention*

En sa qualité de délit, l'acte de contrefaçon est une infraction intentionnelle.

L'élément intentionnel exigé est la mauvaise foi. En prévoyant la nécessité d'une "atteinte méchante ou frauduleuse" et en utilisant l'adverbe "sciemment" le législateur luxembourgeois a posé le dol spécial comme élément constitutif de l'infraction.

La mauvaise foi devra être prouvée par l'accusation.

2.3 *Définition de l'acte de contrefaçon*

La huitième partie de la loi du 18 avril 2001 portant le titre "action civile" ne donne aucune définition précise de la contrefaçon civile. La seule référence à "toute atteinte aux droits du titulaire" implique une définition extensive.

La neuvième partie de la loi intitulée "répression pénale" est elle beaucoup plus précise en énumérant aux articles 82 et 84 les atteintes sanctionnables:

Article 82: "Toute atteinte méchante ou frauduleuse portée aux droits protégés au titre de la présente loi de l'auteur, des titulaires de droits voisins et des producteurs de bases de données constitue le délit de contrefaçon. Est coupable du même délit, quiconque sciemment, vend, offre en vente, importe, exporte, fixe, reproduit, communique, transmet par fil ou sans fil, met à la disposition du public et de manière générale, met ou remet en circulation, à titre onéreux ou gratuit, une oeuvre, une prestation ou une base de données sans autorisation de l'auteur, du titulaire des droits voisins ou du producteur de la base de données".

Article 84: "L'application méchante ou frauduleuse sur une oeuvre ou sur une base de données protégées d'un nom d'un auteur ou d'un titulaire de droits voisins ou d'un droit *sui generis* du producteur de bases de données ou de tout autre signe distinctif adopté par lui pour désigner son oeuvre, sa prestation ou sa production" est une contrefaçon. "Il en est de même pour l'application méchante ou frauduleuse à l'occasion de l'exploitation de la prestation d'un titulaire de droits voisins ou d'un producteur de bases de données du nom d'un titulaire de droits voisins ou d'un droit *sui generis* des producteurs de bases de données ou de tout autre signe distinctif adopté par lui". Seront également punis comme contrefacteur "ceux qui sciemment, vendent, offre en vente, importent, exportent, fixent, reproduisent, communiquent par fil ou sans fil, mettent à la disposition du public et de manière générale, mettent ou remettent en circulation à titre onéreux ou gratuit, les prestations désignés plus haut",

Cette distinction dans les définitions respectives semblent cependant plus être une différence de forme que de fond. En effet, le droit pénal luxembourgeois étant d'interprétation stricte, le législateur s'est vu dans l'obligation d'énumérer précisément les actes interdits alors qu'ils recouvrent "toutes les atteintes aux droits du titulaire" prévues dans la huitième partie.

On doit donc conclure à une identité de définition entre les "délits civils" et les "délits pénaux" de contrefaçon:

L'action civile se prescrit après un délai de 30 ans et l'action pénale après un délai de 3 ans.

2.4 *Responsabilité pénale de la personne morale*

Le droit pénal luxembourgeois étant d'interprétation stricte, la responsabilité de la personne morale doit être expressément prévue, or ceci n'est pas le cas en droit positif.

Seul l'article 86 de la loi sur les droits d'auteur précise que "les personnes morales sont solidairement tenues responsables des condamnations, dommages,, des administrateurs, représentants et préposés". Evidemment, cette solidarité ne peut en aucun cas être assimilée à une responsabilité *stricto sensu* de la personne morale.

Les articles 309 et 191 du code pénales précités ne prévoient pas non plus cette responsabilité.

2.5 *Juge pénal et validité du droit de propriété intellectuelle*

Le juge pénal au Luxembourg n'a pas compétence pour statuer sur la validité du droit d'auteur ou des droits voisins.

Si cet aspect devait être soulevé au cours du procès, le juge devrait surseoir à statuer et renvoyer les parties devant la juridiction compétente, à savoir, le tribunal d'arrondissement statuant en matière civile ou en matière commerciale.

2.6 *Les sanctions pénales et civiles en cas de contrefaçon*

Art. 83 de la loi du 18 avril 2001:

Art. 84 de la loi du 18 avril 2001:

- Emprisonnement de 3 mois à 2 ans.
- Amende de 10.000 (248 E) à 10 millions de Flux .(247.900 E)

Art. 191 du code pénal:

- Emprisonnement d'un mois à 6 mois.
- Amende de 10.000 (248 E) à 200.000 Flux.(4950 E)

Art. 309 du code pénal:

- Emprisonnement de 3 mois à 3 ans.
- Amende de 10.000 (248 E) à 500.000 Flux.(12.500 E)

Art. 23 de la loi du 27 novembre 1986:

Amende de 20.000 (495 E) à 2.000.000 de Flux. (49.580 E)

Le juge pénal est compétent pour statuer sur les réparations civiles en fonction des pertes subies et du manque à gagner.

2.7 *Informations pratiques*

Les poursuites pénales peuvent être engagées soit sur initiative du ministère public, soit sur initiative de la victime de la contrefaçon.

Dans la pratique, le parquet ne prend pas l'initiative de déclencher l'action pénale, ceci au motif qu'il s'agit d'un contentieux avant tout d'ordre privé et que donc la victime doit être libre de choisir de poursuivre ou non l'auteur.

En toute cohérence, le ministère public accepte *de facto* la transaction et stoppe ses poursuites en cas de retrait de la plainte qui en est à l'origine.

Les délais de procédure sont en moyenne de 18 à 24 mois pour un premier jugement et de 24 à 36 mois en cas d'appel.

2.8 *Le rôle de l'expert technique*

Le rôle de l'expert technique en matière de propriété intellectuelle est fondamental au Luxembourg.

Tout en gardant son indépendance dans l'appréciation de la cause, le juge luxembourgeois s'écarte rarement des conclusions du rapport d'expertise.

2.9 *Opinion générale sur la responsabilité pénale et la propriété intellectuelle*

Pour la grande majorité du groupe luxembourgeois la voie pénale n'est pas adaptée à la propriété intellectuelle.

En effet, les buts recherchés par la victime d'une contrefaçon sont la cessation du trouble et éventuellement la réparation de celui-ci par le versement de dommages et intérêts, mais très rarement la sanction correctionnelle de l'auteur.

De plus, l'exigence d'un dol spécial rend l'action plus difficile à mener à son terme et ceci à la différence de l'action civile ou l'intention n'est pas une condition nécessaire.

3. **Les propositions du groupe**

3.1 *Opportunité d'une répression pénale*

Pour confirmer la réponse à la question 2-8, le groupe luxembourgeois ne trouve pas opportun, car inutile et inefficace, de soumettre aux sanctions pénales les atteintes aux droits de la propriété intellectuelle en général.

3.2 *L'intention comme élément de la responsabilité pénale*

En cas d'engagement de la responsabilité pénale pour contrefaçon, le groupe est d'avis que l'élément intentionnel doit être une condition substantielle. En effet, aucune raison ne peut fonder un statut dérogatoire du droit commun qui exige une intention en matière délictuelle.

Dans cette optique, la victime devra prouver positivement l'intention de l'auteur présumé. Cette exigence incontournable est une preuve de plus de l'inadéquation de la procédure pénale, et donc de la répression pénale, à cette matière.

3.3 *Le juge pénal et la validité du droit*

A la quasi-unanimité le groupe est d'accord pour dire que le juge pénal ne doit pas statuer sur la validité d'un droit de propriété intellectuelle. Cet exercice doit être réservé au juge civil ou commercial plus à même à manipuler certains concepts étrangers au droit pénal.

Comme cela se pratique au Grand-Duché, le juge répressif doit donc surseoir à statuer quand est soulevée une question en rapport avec la validité du droit en cause.

3.4 *La maîtrise de l'action pénale*

Le groupe est d'accord pour reconnaître que les enjeux au centre du contentieux de la propriété intellectuelle sont essentiellement d'ordre privé.

En conséquence, la victime doit avoir la maîtrise totale de l'action pénale tant au niveau de son déclenchement qu'au niveau de son extinction.

Report Q169

in the name of the Dutch Group
by Willem HOORNEMAN (Chairman), Cees CAPEL, Addick LAND
Bart van WEZENBEEK, Menno WEIL

**Criminal law sanctions with regard to the infringement of
intellectual property rights¹**

1. Introduction

This report is based on a draft prepared for the Dutch group by the working party consisting of the above- mentioned members. The questions are printed in italics.

2. Substantive Law

The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on.

Please see the attached document (Schedule A), which gives an overview of the relevant provisions of the criminal sanctions. Generally, it can be said that Dutch law provides for criminal sanctions in the event of infringement of almost all intellectual property rights, provided that there is cognisance on the part of the infringing party.

In addition, based on Piracy Regulations 3295/9 and 241/1999, the 'economic prosecuting authority' can initiate action in the event of goods that infringe a trademark that are imported into the Netherlands. Such goods can be seized and ultimately disposed of by the Dutch customs authorities.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

And in particular, does this penal liability require a special intentional element?

Who has the burden of proof of this intentional element? Is this special intentional element supposed or must it be proven positively?

For a definition of what is a criminal offence (*deliktsomschrijving*), we refer to Schedule A.

In addition to the conditions for a criminal offence, Dutch criminal law requires that the conditions (*elementen*) of 'unlawfulness' (*wederrechtelijkheid*) and 'guilt' (or culpability) (*schuld*) also be met. In some cases, those conditions already form part of the definition of the criminal offence.

¹ We would like to thank Mr. Ferry van Veghel for his assistance and advice with respect to the Dutch Penal Law system.

We would also note that generally speaking, Dutch Criminal Law makes a distinction between serious criminal offences (*misdrifven*) and minor or lesser criminal offences (*overtredingen*). Dutch Criminal Law specifies whether an offence is serious or minor.

In addition, Dutch Criminal Law distinguishes intentional offences (*opzet-delicten*) and culpable offences (*culpoze delicten*). If the criminal description contains the element 'intentionally' or 'deliberately', the offence is considered an 'intentional offence' and 'intent' must be proven (substantially but not positively).

In this respect, the burden of proof lies with the public prosecutor. In the Netherlands, the adage applies: 'not guilty until proven as charged'.

In Dutch Criminal Law there is a mental (cognisance) element between culpable and intentional offences, consisting of conscious awareness (*voorwaardelijke opzet*). This concept of conscious awareness forms the border between intentional and culpable mental elements. In some cases, the required intentional element is implicitly included in the definition of the criminal offence by using special words to express an intentional attitude on the part of the offender.

It is hard to clearly indicate the difference between intention and culpability. The most important difference is that the element of intention is an objective element, while the element of culpability is considered to be present when someone should have foreseen or predicted something, while he did not do so. Otherwise, we can say that in the case of culpability, someone consciously took unjustified risk that he should have avoided.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

In our opinion, the differences between the acts infringing an IP right from a civil or a criminal liability point of view are limited.

Criminal

As discussed above, with regard to criminal liability, a distinction should be made between 'intentional' offences and 'culpable' offences. Intentional offences are the most serious crimes under the Dutch Criminal Code; it must be proven that the offender deliberately and knowingly committed the crime in question. Culpable crimes, however, are in most cases considered smaller serious offences or lesser offences. In this case, it must be proven (only) that the offender can be blamed for the fact that he committed the crime (even though it was not deliberately and knowingly committed). The burden of proof here is less stringent than with respect to intentional crimes. Culpable crimes include cases of 'reckless behaviour'.

Civil

For the sake of clarity, we would note that civil liability for an infringement may relate to several types of claims, including compensation of damages and injunctions. Each claim has its own requirements. For an injunction, the only requirement is an infringing act or a serious threat of infringement of intellectual property rights. However, to claim damages, generally an element of awareness on the part of the infringing party is required. To compare civil liability with criminal liability, civil liability could be considered liability for damage.

In order for there to be civil liability to compensate damage, someone has to commit a wrongful act, or 'tort', in the first place.² One of the requirements to establish that someone has committed a wrongful act is the element of 'accountability' or 'culpability'. The BTA seems to deviate in this respect, as Article 13A(3) of the BTA, provides, briefly stated, that the trademark owner may claim damages based upon the same requirements as those to claim an injunction. As 'accountability' or 'culpability' are not requirements to successfully claim an injunction, it could be assumed that this therefore also would not be required to successfully claim damages (as a consequence of the trademark infringement). However, the prevailing view in Dutch legal literature in this respect is that, as is the case with infringement of other IP rights, in order to bring a successful claim for damages in matters of trademark infringement, the element of accountability or culpability is required.

Generally, accountability requires the same level of 'blame' as is the case for culpability offences under criminal law. In some cases, Dutch civil law places the accountability with a certain person or entity, for instance the accountability of parents for the behaviour of their children.

The only written exception with regard to creating civil liability relates to patent rights. The Dutch Patent Act 1995³ requires that the owner of a particular patent who believes his rights are being infringed by a third party has to make that third party 'aware'⁴ of its infringement (*desbewustheid*), in order to create accountability and, thus, to claim compensation of damage.

In addition, there are differences between civil and criminal claims. In criminal cases, the prosecutor, in short, claims either imprisonment or a fine. In addition, it is possible for the prosecutor to have the counterfeit goods confiscated and/or destroyed, and the prosecutor may, under circumstances, claim payment of the unlawfully earned profits (*ontneming wederrechtelijk verkregen voordeel*).

In civil proceedings, an owner of an IP right can claim:

- that the infringing party cease and desist the (infringing) use of the IP right;
- disclosure of the names and addresses of the supplier(s) of the infringing party (upstream);
- disclosure of the names and addresses of the clients of the infringing party (downstream);
- payment of the profits made from the sale of the infringing or counterfeit goods;
- a list of all infringing or counterfeit goods stored and that those goods be provided to the owner of the IP right (or that they be destroyed);
- a penalty in cases of non-compliance;
- damages.

In practice

In practice there is a much greater difference between civil and criminal claims. Criminal claims will be prosecuted only if that is required pursuant to a social interest, e.g.:

- danger to public health (very broad, for example also defective imitation);
- recidivism;

² Pursuant to Article 6:612 of the Dutch Civil Code and related case law, the requirements to claim damages as a result of an act of tort are 'unlawfulness', 'culpability (guilt)', 'damage (loss)' 'causality' between the act of tort and the damages and 'relativity' (meaning a connection between the ratio of the violated norm and the interest of the party who suffered damages).

³ In the Netherlands, two separate patent acts are currently in force, *i.e.* the Patent Act 1910 and the Patent Act 1995. In short, the Patent Act 1910 is still applicable to patent applications that were filed before the Patent Act 1995 entered into force (April 1, 1995), and to patents granted pursuant to those applications.

⁴ According to Article 70(3) of the Dutch Patent Act 1995, damages may be claimed only from a person who performs an act while being aware that he was not entitled to do so. In any event, a person will be deemed to have had such awareness if the infringement was committed after the expiry of 30 days following the service of a writ claiming that the act violated the patent.

- organised crime.

In assessing criminal prosecution under Dutch law, it is very important that the prosecuting body, the Public Prosecutor, have the discretion to decide whether to prosecute.⁵ This is based on the principle of expediency enshrined in the law. Interested parties may request the Court of Appeal to order the Public Prosecutor to prosecute.⁶ The Public Prosecutor is entitled to offer the offender the opportunity to prevent further criminal prosecution provided that the offender fulfil certain conditions including compensating damage caused by the offence.⁷

Limitation

The limitation periods for infringement differ sharply under civil and criminal law. Under civil law, a limitation period of five years applies to claims for compensation of damages. This period commences on the day following the day on which the injured party has become aware of the loss as well as of the person liable for it and in any case ends 20 years following the event that caused the loss.⁸ If it concerns the termination of an unlawful situation (for example demanding a ban on infringement), a limitation period of 20 years commences on the day following that on which the immediate termination of that situation can be claimed.⁹ The limitation period can be interrupted by a written demand, which must be followed within six months by an the institution of legal action or another act of prosecution in the required form¹⁰ (Art. 3:317 in conjunction with Art. 3:316 of the Dutch Civil Code).

The limitation period is more complicated under criminal law. For all offences under the Criminal Code (*inter alia* Art. 337 of the Dutch Criminal Code) or those to which the general part of the Dutch Criminal Code applies (Copyright Act, Neighbouring Act, Patent Act) the right to prosecution lapses:

- after 2 years for all lesser offences;
- after 6 years for serious offences carrying a fine, detention or prison sentence not exceeding 3 years;
- after 12 years for serious offences carrying a prison sentence exceeding 3 years;
- after 15 years for serious offences carrying a prison sentence exceeding 10 years;
- after 18 years for serious offences carrying a lifelong prison sentence.¹¹

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

Most offences are sentenced with either imprisonment and/or payment of a fine.

Article 51 in conjunction with Article 23 of the Dutch Criminal Code provide that it is not possible to 'imprison' a legal entity; this is only possible with respect to natural persons. However, pursuant to to Article 51(2) of the Dutch Criminal Code, in addition to the legal entity itself, criminal liability also applies to persons within the legal entity who have given orders or guidance with respect to the offences. Hence, with respect to legal entities, a judge may sentence a legal entity to a fine that is one category higher than the maximum as defined in the criminal offence.

The categories of fines are divided into six categories:
the first category is NLG 500;
the second category is NLG 5,000;

⁵ Arts. 167(2) and 242(2) of the Dutch Code of Criminal Procedure.

⁶ Art.12 of the Dutch Code of Criminal Procedure.

⁷ Art. 47(2)(e) of the Dutch Criminal Code

⁸ Art. 3:310 of the Dutch Civil Code.

⁹ Art. 3:314 of the Dutch Civil Code.

¹⁰ Art. 3:317 in conjunction with Art. 3:316 of the Dutch Civil Code.

¹¹ Art. 70 of the Dutch Criminal Code.

the third category is NLG 10,000;
the fourth category is NLG 25,000;
the fifth category is NLG 100,000; and
the sixth category is NLG. 1,000,000.

2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

A Dutch Criminal Court, in principal, must determine whether the suspected person or entity has fulfilled all of the conditions specified in the criminal description as charged and, if applicable, the conditions of 'unlawfulness' and 'culpability'.

Hence, if the criminal description refers to an 'intellectual property right' as specified in, for instance, the Dutch Copyright Act or the Benelux Trademark Act, the Dutch criminal courts will have the indirect capability to rule on the question of the validity of an IP right. In other words, the criminal courts will have the capacity to determine whether it is likely that a civil court will, for example, consider that a certain intellectual property right is not valid. Sometimes Dutch Criminal Courts ruling rule on the criminal liability for an IP offence will include a civil judge skilled in the civil law aspects of IP Rights. However, in general, the courts will not have a direct capability. Hence, such capability is limited. With respect to the validity of, for instance, a trademark in criminal proceedings, Article 337 of the Dutch Criminal Code refers to a trademark as mentioned in a Benelux Trademark Act. In its defence, the suspected party may argue that the trademark is not valid, as, for instance, the trademark is considered descriptive and, as a consequence, it lacks any distinctiveness. If the suspected party successfully claims that a valid trademark is not involved, all conditions of the criminal offence description have not been met, *i.e.* the criminal offence has not been proven.

It is difficult to answer the question whether the defendant has the possibility to request a stay of proceedings in order prove to the civil judge, or the Patent Office, the validity of the IP right, because we are not familiar with published case law in the Netherlands in which a defendant addressed the question of the lack of validity of IP rights to the Dutch Criminal Court.¹² However, there are a few unpublished copyright criminal cases in which the Criminal Court suspended the criminal proceedings in order to obtain an expert opinion regarding copyright infringement.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

We also refer to the description of the criminal offences in Schedule A in relation with question 2.1, as well as our answer under question 2.4. Generally the following sanctions¹³ exist:

- imprisonment;
- payment of a fine;
- confiscation/destruction of counterfeit goods;
- payment of unlawfully earned profits; and

¹² For the sake of completeness we would also note that Article 95(1) of the Dutch Seeds and Planting Materials Act, pursuant to which, also in criminal cases, the Board for Plantbreeders' Rights can be consulted by the Criminal Court.

¹³ Art. 9 of the Dutch Criminal Code.

- fulfilling unpaid labour for general use.

A new criminal sanction was introduced in the Dutch Criminal Code in 1992,¹⁴ based on which a convicted offender can be deprived of illegally obtained profits and benefits. Pursuant to this new provision, the public prosecutor has the possibility to initiate investigations and proceedings so that the convicted offender will be ordered to hand over to the Dutch government the profits and benefits obtained from the criminal activities on pain of imprisonment. In addition, the public prosecutor also has the choice to commence criminal proceedings against the offenders. This new provision has become an important instrument against white collar crimes and is often used against habitual IP offences.

The party entitled to the intellectual property right can intervene in criminal proceedings and claim full compensation of the damage. This 'victim' has the possibility to request the disclosure of relevant legal documents in the criminal proceedings.¹⁵ A victim's claim for damages must be easy to assess; otherwise, the criminal court will not hear the victim's claim. In that case, the victim will be entitled to bring his claim for damages before the civil court.¹⁶

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

The Netherlands does not provide trial by jury, wither in criminal proceedings or in civil proceedings. We have 'professional' courts, which are specialised in criminal or civil proceedings. Furthermore, in the Netherlands, plea bargaining is not possible in criminal proceedings.

Initially, IP infringement was prosecuted only occasionally. Before 1940, a number of patent infringements were prosecuted and the infringing parties actually punished. A more organised approach was used in the nineties. This concerned a collaborative project between the Public Prosecution Authorities, the Economic Investigation Service and the Custom Service, aimed at IP infringements in the transit of goods at Schiphol Airport. Written agreements and guidelines were drawn up on investigation, settlement and prosecution.

Since 1998 there has been a national approach. The Fraud Unit East, under the supervision of the Public Prosecution Authorities in Zutphen, has provided national guidelines for investigation, out-of-court settlement and/or prosecution.¹⁷ These guidelines have now been approved by the Board of Procurators General (which is the highest body of the Public Prosecution Authorities after the Ministry of Justice) and will take effect on 1 January 2002.

Several investigative services are involved in addition to the Public Prosecution Authorities, such as the Economic Investigation Service, the Investigative Service of the Bureau of Musical Copyright and of the Mechanical Copyright Organisation, the Customs Service, the Fiscal Intelligence and Investigation Service and the General Inspection Service.

At a very early stage, the Public Prosecution Authorities will consider, together with the investigative services, whether the case is accepted. This does not apply to simple cases, which are settled under civil law. Moderately serious IP infringements may or may not be accepted by the Public Prosecution Authorities. If the case is not accepted, it will be referred for settlement under civil law. Serious infringements are investigated and prosecuted.

¹⁴ Law of 10 December 1992, statute Book 1993, which entered into force on 1 March 1993.

¹⁵ Art. 51d of the Dutch Criminal Code.

¹⁶ See Articles 51A, 332 and 361 of the Dutch Code of Criminal Procedure.

¹⁷ We would like to thank Mr B.M. Hilberts of the Fraud Unit East (department of the Public Prosecution Service in Zutphen) for his helpful information.

At the centre of the policy is the adage 'settlement under civil law, unless'. The policy of the Public Prosecution Authorities and the investigative services is in the first instance to be of assistance in signalling and investigating, and if necessary detaining infringing goods under Regulations 3295/94 and 241/1999. In principle, the party entitled to IP rights must take further steps against the infringing parties, unless a social interest is involved.

There are several consultation structures between the Public Prosecution Authorities and the investigative services on the one hand and private partners on the other. These private partners are *Stichting Namaakbestrijding*¹⁸ (Foundation against imitation of goods), Business Software Alliance, *Stichting Brein* (music and cabaret), the Dutch Visual Arts Rights Foundation and several branches of Dutch industry. These private partners are engaged in signalling, e.g., Internet hackers and simple settlements, for example by email. The consultations between the public and private partners also result in agreements about a demonstrable management process, for example that products such as sound carriers be provided with markings. If the private partners ensure that this is done, the public partners will at least investigate and if necessary provide further support. Prosecution takes place only in the event of more serious crimes. In this respect a clear shift can be detected from IP infringements (several Mafia organisations).

Worth mentioning is a decision of the Criminal Court in Almelo, in which the main offender was sentenced to an imprisonment of three years, of which one year was conditional, because he was responsible for the manufacturing of the 94,000 counterfeit compilation CDs and 17,000 illegal CD-ROMs with business and entertainment software. The Criminal Court in The Hague sentenced the leader of a criminal organisation who was responsible for the distribution of almost 90,000 counterfeit compilation CDs to a fine and a suspended imprisonment, including an order to hand over to the State his profit of NLG 350,000 from his illegal dealings.. The criminal court in Rotterdam sentenced the leaders of a criminal organisation that distributed almost 400,000 illegal CDs to imprisonment of 18 months, of which 6 months were conditional, and a fine of NLG 50,000. In the latter case, the printers of the CD inserts were also convicted for habitual infringement and for membership of a criminal organisation. In all the above-mentioned cases, the counterfeit products and other goods were confiscated by the State.

The contribution of the Customs Service is effective. The Customs Service will detain infringing consignments at the request of the Public Prosecution Service and the investigative services, or at the request of parties entitled to IP rights on the grounds of Regulations 3295/94 and 241/99. In 2000, 915 reports were made in this way. The Public Prosecution Service became involved in 278 cases. Action under civil law was taken in 161 cases. In 176 cases the acceptance test showed that no imitation was involved. The detained consignments often concern large numbers, for example 500,000 CDs; 254,000 CD-ROMs; 25,000 kilos of toys; etc.

Figures on actual criminal prosecution of IP fraud and trials will not be available until after 1 January 2002.

In the acceptance stage, which is the very first stage in which it deals with a case, the Public Prosecution Service will consider whether it considers the infringement to be an established fact. If not, no further action will be taken.

¹⁸

Since April 1991, at the initiative of the Amsterdam Chamber of Commerce, the Dutch *Stichting Namaakbestrijding* (SNB) was established. Presently, the SNB is a fully independent body that represents approximately 70 companies. The activities of the SNB include: initiating investigations, filing complaints on behalf of members, conducting civil proceedings on behalf of members, organizing information meetings for police and customs and providing expert advice regarding counterfeit issues.

The Public Prosecution Authorities and the Fraud Unit East are very active in international working groups in which international aspects such as lists of countries from which imitation products originate are discussed and agreements are made.

In the context of the policy set out above, the Public Prosecution Service acts against violations of the IP criminal provisions in the Copyright Act, the Dutch Criminal Code (Articles 326 b., 328 b. and 337 (trademark and design infringement)), the Neighbouring Rights Act, the Topographies Act and the Economic Offences Act (Seeds and Planting Materials Act). Although the Patent Act 1995 also contains a criminal provision in Article 79, the Public Prosecution Authorities do not take action against patent infringement. For the time being, the private partners do not feel that there is a need for this. That might be different if a social interest is at risk. The Public Prosecution Service and the Customs Service also will not take action if, in the case of imports from a country in which goods are imitated, the IP right does not exist in that country (*inter alia* Article 337 of the Dutch Criminal Code).

The Public Prosecution Service and the Fraud Unit East have statistics on IP fraud. 39% of such fraud takes place in the digital field and 16% in the audio-visual field. Other fields do not constitute more than 5% of the total.

If the Public Prosecution Authorities decide to prosecute, it will have to prove the elements of the offence and therefore also the infringement. The party entitled to the IP right and the infringing party can settle their dispute.¹⁹ This undoubtedly plays a role in the further approach of the Public Prosecution Authorities and the criminal court. It is not decisive, however. If the Public Prosecution Authorities find that a social interest has been or continues to be harmed, it will be free to continue the prosecution in spite of the amicable settlement.

- 2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure. And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.*

In the Netherlands there are virtually no cases in which technical experts have played some kind of role in criminal procedures.²⁰ The public prosecutor will not be likely to bring an IP infringement case before the criminal court if he has serious doubts about the validity of the IP right or the existence of an infringement. Taking into account that technical experts would play a role in criminal procedures only in such 'doubtful' cases, it is understandable that we are not aware of criminal case law in which technical experts have participated.

- 2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

In our opinion, practice has shown that criminal sanctions are not an effective instrument to prevent violation of IP rights. This is mainly caused by the fact that the public prosecutor does not give high priority to the investigation and prosecution of these offences. As long as the owner of IP rights has the opportunity to find appropriate relief in civil proceedings, the lack of criminal prosecution of these IP offences will not be missed.

On the other hand, in the event of piracy and involvement of criminal organisations in relation with infringement offences, criminal sanctions and the criminal prosecution of such offences can be an effective alternative to civil proceedings. The public prosecutor has far-reaching investigative powers and is therefore better equipped to stop these piracy activities on a large scale. The owner of IP rights can intervene as a civil party in the criminal proceedings in an attempt to claim compensation of damage. Such criminal prosecution will be an effective instrument to prevent piracy on a large scale only if the criminal sanctions for these acts are as high as possible and the public prosecutor maintains policy of criminal prosecution on a regular base. We believe that based on the above arguments, criminal

¹⁹ A settlement between, the prosecutor and the infringing party, including the payment of damages to the IP right holder can also be reached pursuant to Article 74 of the Dutch Criminal Code

²⁰ We refer to our answer to question 2.5.

sanctions and criminal prosecution can be considered useful instruments against piracy and acts of violation committed by criminal organisations.

As mentioned earlier, before the World War II it was not uncommon for the public prosecutor to file suit in a regular patent infringement case.

In Article 79 of the Dutch Patent Act 1995 (a criminal provision), patent infringement prosecution before a criminal court was maintained based on a suggestion by a Dutch Member of Parliament to help small and medium-size enterprises to enforce their patent rights. This was deemed to be an inexpensive way for such enterprises to maintain their patent rights. However, to date the public prosecutor has not given any priority to the prosecution of patent infringement offences.

Practice also shows that small and medium-size enterprises sometimes do not undertake civil actions against patent infringements because of the legal costs and the small amount of damages that are usually sustained in civil proceedings. In most civil proceedings, claims for compensation of damage and legal costs are usually limited by the Dutch civil court. This leads to the conclusion that small and medium-sized patent owners in many cases avoid commencing civil infringement proceedings due to the fact that legal costs are not sufficiently justified by the damage sustained

Therefore, as an alternative to civil proceedings we recommend providing further opportunities to holders of IP rights in criminal proceedings to intervene and claim full compensation for the damage suffered, including legal costs.²¹

3. Proposals for solution for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of an harmonisation at the international level.

3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

There are criminal sanctions on infringement of all IP rights in the Netherlands, except in the Dutch Databases (legal protection) Act. An extension therefore is not necessary. In itself, the policy of the Public Prosecution Authorities is acceptable ('settlement under civil law unless a social interest is involved'). The Public Prosecution Authorities might extend this policy to actions against infringement of IP rights of less well-to-do parties entitled to IP rights, which, as mentioned above, cannot afford costly civil proceedings, certainly not when large-scale infringement is concerned. Criminal prosecution, does not cost the party entitled to IP rights anything, and compensation for damage can be claimed in the criminal proceedings. The fact that less well-to-do parties must also be able to exercise their IP rights means that there is a social interest.

The group attaches great importance to the deployment of the Public Prosecution Authorities and investigative service in signalling and detaining infringing consignments. The same applies to the agreements with the private partners to streamline this signalling by means of markings, etc. At the international level, we would propose that criminal sanctions on violation of all IP rights be established, as they are in the Netherlands.

3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

²¹

This goal can also be reached by encouraging amicable settlement between the public prosecutor and the offender, provided that a primary condition for such a settlement consists of the obligation of the offender to pay damages to the victim, *i.e.* the IP right holders.

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

Dutch criminal law distinguishes serious offences, which require an intentional element, and lesser offences, which require culpability. In most cases, with respect to a particular offence, Dutch criminal law contains descriptions of both serious offences (*deliktsomschrijving*) and lesser offences. In other words, in most cases, Dutch criminal law uses a 'two-tier' regime. Below, we will provide an example.

Article 32 of the Dutch Copyright Act contains a culpability offence, which provides that 'a person who offers an object for public distribution (...) while *having reasonable grounds to know* that it contains a work that infringes another person's copyright is liable for a fine of the third category'. However, Article 31a of the Dutch Copyright Act contains a reference to intent; it provides that 'a person who *intentionally* publicly offers for distribution (...) an object containing a work infringing another person's copyright is liable for a term of imprisonment of not more than six months or a fine of the fourth category'.

In this way, the public prosecutor is always able, primarily, to charge a suspected party for intent, and, alternatively, for culpability with respect to a particular criminal offence. We feel that this two-tier regime is practical for public prosecutors.

However, in the Netherlands, "intent"; does not have to be positively proven. On the other hand, the mere infringement of an intellectual property right does not in all cases imply 'intent' by the infringing party. This will depend on the circumstances of the case. For instance, as we discussed above, under the Dutch Patent Act, the owner of a patent right must make the infringing party 'aware' of the infringement. This may imply that an infringing party is not in all cases aware of the existence of a registered patent, nor should he have been aware of such existence, as a consequence of which the infringing party in that particular case did not intentionally infringe the patent rights. If, however, after the infringing party has been made aware of the existence, the infringing party then continues the infringement of the patent rights, this will constitute 'intent'.

We believe that the current system is technically satisfactory from a legal perspective. Violations of IP rights do not have to be deliberated in all cases. Also criminal liability for culpable IP offences may be supportive in certain cases. We recommend that the proof of the intentional character be derived from the nature of the infringement. Victims of counterfeit should not be obliged to prove the intentional character positively.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

We believe that the criminal judge must be capable of ruling on the validity of an intellectual property right only in an indirect way. This means that the criminal judge should be authorised and capable to render judgment on the question whether there is a more than reasonable chance that the related intellectual property right will be seen as valid in civil proceedings. Finally, only the Civil Judge may rule on the question of the validity of such an IP right. For example, in criminal patent cases exclusive jurisdiction has been given to the District Court in The Hague. The same District Court has also exclusive jurisdiction to decide in civil patent infringement cases. For criminal patent cases, we assume that the District Court in The Hague will be qualified and capable to give an indirect answer to the question whether there is a more than reasonable chance that the intellectual property right will be considered valid by the civil courts, but the Civil Court in The Hague has to make a final decision about the validity of the patent. In case of doubt about these questions, the defendant in criminal proceedings cannot be found guilty if the intentional patent infringement cannot be proved.

The same can be said about other intellectual property rights.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

It is advisable that the victim of the counterfeiting have a large say in the criminal proceedings, although it should be acknowledged that by the mere nature of these proceedings control should lie with the prosecutor. A legitimate question should be whether the victim could force an end to the proceedings (e.g. by settling) if it can be argued that a sentence would be an appropriate deterrent. In our opinion this should not be regulated, but should be discussed between the prosecutor and the victim.

Further, it should be possible to use all material submitted in criminal proceedings in any subsequent civil proceedings. This would ease the burden on the civil judges. However, the benefits of being able to use this material should be weighed against the violation of the defendant's privacy. Therefore, there should be a mechanism that would prohibit public knowledge, e.g. if that information could be requested only by the civil judge, and if copies of that information were provided to both parties (under a duty of confidentiality).

4. Various

The groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.

Indeed, taking into account the pioneer character of the question, the AIPPI wishes to profit from the experience of the national groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

Our group has no further remarks on this question.

SCHEDULE A

Overview of the relevant penal sanctions under Dutch law, related to Article 61 TRIPS

I. Copyright

A. Dutch Copyright Act 1912 ("DCA")

Article 31

A person who intentionally infringes another person's copyright is liable to a term of imprisonment of not more than six months or a fine of the fourth category²².

Article 31a

A person who intentionally:

- a. publicly offers for distribution;
- b. has in his possession for the purpose of reproduction or distribution;
- c. has in his possession for the purpose of importing into the Netherlands, or
- d. keeps for profit

an object containing a work infringing another person's copyright is liable to a term of imprisonment of not more than six months or a fine of the fourth category.

²²

For an explanation of the categories of fines, we refer to the answer to Question 2.4.

Article 31b

A person who commits the criminal offences referred to in articles 31 and 31a as his profession or business is liable to a term of imprisonment of not more than four years or a fine of the fifth category.

Article 32

A person who:

- a. offers for public distribution;
- b. has in his possession for the purpose of reproduction or distribution;
- c. has in his possession for the purpose of importing into the Netherlands, or
- d. keeps for profit

an object having reasonable grounds to know that it contains a work which infringes another person's copyright is liable to a fine of the third category.

Article 32a

A person who intentionally:

- a. offers for public distribution;
- b. has in his possession for the purpose of reproduction or distribution;
- c. has in his possession for the purpose of importing into the Netherlands, or
- d. keeps for profit

any means designed exclusively to facilitate the removal or overriding, without the consent of the author or his successor in title, of a technical device for the protection of a work as referred to in article 10, paragraph 1, sub 12^o, is liable to a term of imprisonment of not more than six months or a fine of the fourth category.

Article 33

Acts defined in articles 31, 31a, 31b, 32 and 32a shall constitute serious offences.

Article 34

1. A person who intentionally makes any unlawful alterations in a literary, scientific or artistic work protected by copyright, or in its title or the indication of the author or impairs such a work in any other way that could be prejudicial to the name or reputation of the author or his dignity as such is liable to a term of imprisonment of not more than six months or a fine of the fourth category.
2. Such an act shall constitute a serious offence.

Article 35

1. A person who, without being authorised to do so, publicly exhibits a portrait or communicates it to the public in any other manner is liable to a fine of the fourth category.
2. Such an act shall constitute a lesser offence.

Article 35a

1. A person who, without having obtained the necessary permission from Our Minister of Justice, performs acts amounting to acting as a commercial agent as referred to in article 30a is liable to a fine of the fourth category.
2. Such an act shall constitute a lesser offence.

Article 35b

1. A person who intentionally furnishes false or incomplete information in a written application or submission on the basis of which the amounts due are determined by the person who, with the permission of Our Minister of Justice, acts as a commercial agent in matters of

copyright on musical works, is liable to a term of detention of not more than three months or a fine of the third category.

2. Such an act shall constitute a lesser offence.

Article 35c

A person who intentionally omits a submission in writing to the legal person referred to in article 16d, paragraph 1, on the basis of which the amounts due pursuant to article 16c are determined or intentionally provides false or incomplete information in such a submission is liable to a term of detention of not more than three months or a fine of the third category. Such an act shall be deemed to constitute a lesser offence.

Article 35d

A person who intentionally omits a submission as referred to in article 15g or intentionally provides false information in such a submission shall be liable to a term of detention of not more than three months or a fine of the third category. Such an act shall be deemed to constitute a lesser offence.

Article 36

1. Reproductions declared forfeit by the criminal court shall be destroyed; the court may, however, provide in its judgment that they be handed over to the copyright owner if the latter applies to the office of the Clerk within one month of the judgment becoming final and conclusive.
2. Upon such handing over, ownership of the reproductions shall be assigned to the rightholder. The court may order that handing over be conditional on payment by the rightholder of a compensation that shall accrue to the State.

Article 36a

Investigating officers may at any time, for the purposes of investigating offences punishable under this Act, require access to any documents or other data carriers in the possession of persons who in the exercise of their profession or business import into the Netherlands, communicate to the public or reproduce literary, scientific or artistic works, where inspection of such documents or data carriers may reasonably be deemed necessary for the performance of their duties.

Article 36b

1. Investigating officers shall be authorised, for the purposes of investigating offences punishable under this Act and seizing that what is subject to seizure, to enter any premises.
2. If they are denied access, they may effect entry, if necessary with the assistance of the police.
3. They shall not enter a house against the will of the occupant except on presentation of a special warrant in writing from or in the presence of a public prosecutor or an assistant public prosecutor. An official report of such entry shall be drawn up by them within twenty-four hours.

B. Dutch Penal Code

Article 326b

A term of imprisonment of not more than two years or a fine of the fifth category shall be imposed upon:

- a. a person who, upon or in a work of literature, science, art or craft, falsely places any name or any mark, or falsifies the authentic name or the authentic mark, with the object of making it appear as if the work had been created by the person whose name or mark he has placed thereupon of therein;
- b. a person who intentionally sells, offers for sale, delivers, has in stock for the purpose of sale or imports into the Kingdom within Europe, a work of literature, science, art or craft, upon

which or in which any name or any mark has been falsely placed, or upon or in which the authentic name or the authentic mark has been falsified, as if the work had been created by the person whose name or mark has been falsely placed upon or in it.

II. Neighbouring Rights

A. Dutch Neighbouring Act 1993 (NRA)

Article 21

A person who intentionally infringes the rights referred to in articles 2, 6, 7a and 8 of this Act is liable to a term of imprisonment of not more than six months or a fine of the fourth category.

Article 22

A person who intentionally:

- a. broadcasts, rebroadcasts or otherwise communicates to the public in any other way;
- b. publicly offers for distribution;
- c. has in his possession for the purpose of reproduction or distribution;
- d. has in his possession for the purpose of importing into the Netherlands, or
- e. keeps for profit

a recording or a reproduction thereof which he knows that it constitutes an infringement of the rights referred to in articles 2, 6, 7a and 8 of this Act is liable to a term of imprisonment of not more than six months or a fine of the fourth category.

Article 23

A person who commits the criminal offences referred to in articles 21 and 22 as his profession or business is liable to a term of imprisonment of not more than four years or a fine of the fifth category.

Article 24

A person who:

- a. broadcasts, rebroadcasts or otherwise communicates to the public;
- b. publicly offers for distribution;
- c. has in his possession for the purpose of reproduction or distribution;
- d. has in his possession for the purpose of importing into the Netherlands, or
- e. keeps for profit

a recording or a reproduction thereof having reasonable grounds to know that it constitutes an infringement of the rights referred to in articles 2, 6, 7a and 8 of this Act is liable to a fine of the third category.

Article 25

A person who intentionally and unlawfully makes any changes in a performance, the title of such a performance or the designation of the performer, or who impairs such a performance in any other way that could be prejudicial to the name or reputation of the performer or his dignity as such, is liable to a term of imprisonment of not more than six months or a fine of the fourth category.

Article 26

Acts defined in articles 21, 22, 23, 24 and 25 shall constitute serious offences.

III. Designs

A. The Dutch Penal Code

Article 337(1)(e)

A person, who intentionally:

a.-d. (...)

e. falsifies a good or parts thereof which constitutes an infringement of model and design rights, and publicly offers for distribution, has in his possession for the purpose of reproduction or distribution, has in his possession for the purpose of importing or exporting or keeps it for profit, will be sentenced with a maximum imprisonment for one year or a fine of the fifth category.

IV. Patents

A. Dutch Patent Act 1910

Article 45

1. Any person who deliberately infringes the right of the proprietor of a patent by performing any of the acts referred to in Section 30 (1) shall be liable to imprisonment for a term not exceeding three months or to a fine not exceeding 1,500 guilders.
2. If the offender commits the offence within a period of less than five years from the date on which a former conviction for a similar offence became final, the maximum penal sanctions referred to in the preceding paragraph shall be doubled.
3. On conviction of the offender, the court may order that its judgment be made public.
4. Where objects have been declared forfeit, the persons entitled to the patent may demand that those objects be surrendered to them by filing a request to that effect with the Clerk of the Court within eight days from the date on which the judgment has become final.
5. The penal offences referred to in this Section shall be deemed to be serious offences.

Article 46

1. Any person who applies words or symbols to any goods in such a way as to represent falsely either that protection has been granted or applied for in respect of those goods or that protection under this Act of the Kingdom has been granted or applied for shall be liable to detention for a term not exceeding three months or to a fine not exceeding 1,500 guilders.
2. Any person who sells, offers to sell, delivers, stocks for sale in the Kingdom or imports into the Kingdom any goods to which words or symbols have been applied in such a way as to represent falsely either that protection has been granted or applied for in respect of those goods or that protection under this Act of the Kingdom has been granted or applied for shall be liable to the same penal sanctions as those specified in the preceding paragraph.
3. The offences made punishable under this Section shall be deemed to be lesser offences. Article 45 2 and 3 shall apply mutatis mutandis.

B. Dutch Patent Act 1995

Article 79

1. Any person who deliberately infringes the rights of the patent proprietor by performing one of the acts stipulated in Article 53 (1), shall be punished with imprisonment of no more than six months or a fine of the fourth category.
2. Anyone performing criminal acts as referred to above as a profession or carrying out this criminal activity as a means of business shall be punished with imprisonment of no more than four years or a fine of the fifth category.
3. The court may order publication of the judgement at sentencing.
4. If any objects have been declared forfeit, the patent proprietor may require that these objects be turned over to him provided that he reports this to the Clerk's Office within a month of the judgement having acquired the authority of a final decision. This transfer shall confer title to these objects to the patent proprietor. The court may declare that this transfer shall not take place or shall take place only after payment of compensation, to be set by the court and paid by the patent proprietor, to the State.

5. The criminal acts referred to in this article are considered serious criminal offences. In The Netherlands, the hearing of such offences, in first instance, is exclusively the jurisdiction of the District Court of The Hague.

V. Trademarks

A. Dutch Penal Code

Article 337

1. A person who intentionally imports into the Netherlands without a clear intention to export, sells, offers for sale, delivers, gratuitously hands out or has in stock for the purpose of sale or for the purpose of gratuitously handing out:
 - a. false, falsified or unlawfully manufactured brands;
 - b. merchandise that falsely bears or the container of which falsely bears the trade-name of another person or the trademark to which another person is entitled;
 - c. merchandise that falsely bears, as an indication of its origin, the name of a certain place, and to which a fictitious tradename has been added;
 - d. merchandise which bears or the container of which bears an imitation, however slight, of another person's tradename or trademark;
 - e. (..)

is liable to a term of imprisonment of not more than one year or a fine of the fifth category.

2. The offender is liable to a term of imprisonment of not more than four years or a fine of the fifth category, where as the offender commits the serious offence referred to in section 1 as his profession or business.
3. The offender is liable to a term of imprisonment of not more than four years or a fine of the fifth category, where as a result of the serious offence referred to in section 1 general danger to persons or property might have been expected to ensue from the act.

VI. Trade Names

A. Dutch Trade Name Act (DTNA)

Article 7

1. Person who uses a tradename in violation with this Act will be liable to a fine of the second categorie.
2. This act shall constitute a lesser offence.
3. (..)
4. (..)

VII. Seeds and Plants

A. Seeds and Planting Materials Act²³

²³

Pursuant to the Dutch Economic Offences Act(Art. 6 in conjunction with Art. 13)), a criminal offence pursuant to Art. 96(1) can be punished with a maximum imprisonment of two years or a fine in the 4th category. A lesser offences can be punished with a maximum detention of 6 months or a fine in the 4th category. Furthermore, the Dutch Economic Offences Act specifies as a minor crime the infringement of the following articles referred to in the Seeds and Planting Materials Act: Articles 40, 41(1), 41a, 41b, 80, 81, 83-85, 87 and 91(4). In short, this comes down to an infringement of the exclusive rights of the owner under the Seeds and Planting Materials Act.

Article 95

1. If in any civil or penal case the decision is dependent on the finding to which variety a group of plants belong, the Board [for Plantbreeders' Rights] will be consulted. The advice of the Board will contain the grounds on which it is based.
2. (...)

Article 96

1. An intentional act contrary to the provisions of or pursuant to articles ... [all articles describing the exclusive rights of the holder of a plantbreeders' right] is a serious offence.
2. An act contrary to the provisions of or pursuant to articles ... [all articles describing the exclusive rights of the holder of a plantbreeders' right] is a lesser offence.

VIII. Topographical Designs

A. The Dutch Act for Semi Conductors

Article 24

1. A person who intentionally infringes on the sole rights to a topographical design is liable to a term of imprisonment not more than six months or a fine of the fifth category.
2. Such an act shall constitute a serious offence.

IX. Unfair Competition

A. Dutch Penal Code

Article 328 bis

A person who, in order to establish, preserve or increase his or another person's market position, perpetrates any form of deception and so misleads the general public or a specific person is guilty of unfair competition and liable to a term of imprisonment of not more than one year or a fine of the fifth category, where from such activity any disadvantage to his competitors or the competitors of that other person may ensue.

Other articles

Article 225:

Forgery of documents

Article 261:

Defamation

Article 138A :

Cybercrime/computer crime

Article 272 and 273:

Violation of secrecy

Article 326b:

Deception

Report Q169

In the name of the Norwegian group represented by
Anne-Hilde STORM, Marte THORSBY and Erlend EFSKIND

Criminal law sanctions with regard to the infringement of intellectual property rights

1. Summary

In Norway the penal provisions for infringement of intellectual property rights are found in the following acts:

Copyright Act (Åndsverkloven of 12.05.1961) § 54

Trademark Act (Varemerkeloven of 03.03.1961) §37

Patent Act (Patentloven of 15.12.1967) §57

Design Act (Mønsterloven 29.05.1970) § 35

Marketing Act (Markedsføringsloven 16.06.1972) §17. Note that §17 only relates to infringement of the provisions §2-9; thus infringement of the general clause in §1 can not result in criminal sanctions.

The Criminal Code also contains provisions relevant in connection with infringements of Intellectual Property Rights. However, these provisions will not be dealt with in the following.

Common for this legislation, is that the intentional violation of any of the above mentioned penal provisions can result in fines or imprisonment for up to 3 months (even 3 years in some cases concerning infringement of the Copyright Act). In the case of the Copyright Act also negligent violations are comprised by the penal provision.

The penal provisions are not frequently invoked against infringers of intellectual property rights. We have not found examples of violators being sentenced to imprisonment. It is worth mentioning that most infringers are legal persons which can not be sentenced to imprisonment.

Further, in Norway, we do not have separate penal and civil judges or penal and civil courts. The lower courts and the appeal courts hear both types of cases. For this reason, when answering the questions we refer to the type of case being heard.

2. Substantive law

The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

- 2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Both the Trademark and the Copyright legislation provide for remedies such as imprisonment up to three months and/or monetary fines as set out in article 61 of the TRIPS treaty. The Copyright legislation also provides for imprisonment up to three years and/or monetary fines if the infringement has been intentional and if the circumstances are aggravating. The said legislations finally provide for seizure, forfeiture or destruction of the infringing goods.

Do the national laws provide penal sanctions in case of violation of other rights of intellectual property such as patents, models, unfair competition and so on?

Both the patent, design and the marketing legislation provide for remedies as mentioned above, except for the three years imprisonment regarding the copyright legislation.

2.2 *The groups are invited to present the conditions of the penal liability for the acts of infringement of the intellectual property rights.*

And in particular does this penal liability require a special intentional element?

Pursuant to the Copyright Act the infringement of a copyright must be intentional or negligent to provide for remedies such as imprisonment and/or monetary fines. Pursuant to the Patent, Trademark, Design and Marketing Acts the infringement must be intentional to provide remedies such as imprisonment and/or monetary fines.

Who has the burden of proof of this intentional element?

The prosecuting authority has the burden of proof of the intentional element.

Is this special intentional element supposed or must it be proved positively?

The special intentional element must be proven positively by the prosecuting authority.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

Pursuant to the Copyright legislation the acts of infringement must be intentional or negligent. This include both penal and civil liability. Pursuant to the patent, the trademark, design and the marketing legislation only intentional infringement provide penal liability. Simple negligence is sufficient for civil liability.

In additional the standard of proof is different from the point of view of the civil liability and the point of view of the penal liability. Whilst the penal liability require that the question of guilt must be proven beyond reasonable doubt, the civil liability only require that this is most likely.

Are the terms of limitations of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

The terms of limitations are different. Pursuant to the Norwegian Limitation Act the terms of limitation of civil claims are three years from the day the claim owner (creditor) knew or should have known about the infringement. Under any circumstances the claim must be put forward within twenty years from the infringement act. Pursuant to the penal legislation, the term of limitations are two years for violations that are punishable with monetary fines or imprisonment up to one year. This will be the case where the Trademark, the Patent, the Design and the Copyright legislation provide for remedies such as imprisonment up to three months and/or monetary fines.

For violations punishable with monetary fines or imprisonment up to four years, the term of limitations is five years. This will be the case where the copyright legislation provides for imprisonment up to three years and/or monetary fines as set out in section 2.1. In both cases, the limitations are calculated from the day the infringement ended.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for act of counterfeiting.*

We are not familiar with the term "legal moral person". However we take it that the term refers to a legal person. The Norwegian penal legislation provide for penal liability against a legal person irrespective of whether a physical person is liable or not. The sanctions are monetary fines.

2.5 *Does the Penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

It is a common principle in civil cases, that acquittal in infringement cases cannot be based on a statement that the intellectual property right is invalid, unless this question has already been decided in another civil judgement. This principle is established by law in the Norwegian Patent Act. However, this only applies in civil law suits. In a criminal case, the Judge in fact has the capacity to acquit the defendant charged with patent infringement, if there is reasonable doubt concerning the validity of the patent. However, when the penal liability depends upon whether an industrial property right was in existence and valid when the disputed act was committed, the court has the possibility to postpone the criminal proceedings until this question (the validity of the intellectual property right) has been decided in a validity case. Seeing that the Oslo City Court is the obligatory legal venue in validity cases, it is most likely that a court hearing a criminal case in which validity is an issue, will refuse to decide upon the validity question, as this requires a certain specialized legal expertise.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights*

The sanctions for acts of infringement of intellectual property rights are imprisonment and/or monetary fines, seizure, forfeiture, entrustment or destruction.

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damages undergone by the victims of the acts of counterfeiting or is this question only the concern of the Civil Courts?

However, pursuant to the Norwegian Criminal Procedure Act a court, when hearing a criminal case is qualified to allocate civil claims regarding damages in repair. Nevertheless, in practice damages in repair are mostly dealt with in civil cases based upon law suits by the offended party.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement etc.*

Pursuant to the said acts the prosecution has to be applied for by the offended, except in cases where the infringement is intentional and the circumstances are aggravating.

As mentioned under section 2.2 the prosecuting authority has the burden of proof. As mentioned under section 2.3. the standard of proof is different from the point of view of the civil liability and the point of view of the penal liability.

The possibility to settle the proceedings by an agreement is excluded when the prosecuting authority has brought charges against the alleged infringer. A system of plea bargaining at this stage would be in defiance of the Norwegian principles of criminal law. However, the victim has the opportunity to settle the proceedings by an agreement by withdrawing the charges before the prosecuting authority has brought charges against the alleged infringer.

And the groups are invited to provide, if they exist, for the statistic data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in the country etc).

As mentioned below, penal procedures within this field are far and far between. We have not been able to find Case Law concerning violation of the penal provisions of the Patent

Act and the Design Act (however, there might be unpublished lower court decisions of which we are not aware). Most decisions on violation of penal provisions concerning intellectual property rights relate to infringement of Copyright.

Examples of cases:

Supreme Court decisions:

The Norwegian Supreme Court have since 1983 made decisions in 3 cases concerning criminal sanctions for violation of the Copyright Act § 54.

Rt. 1995-35: As apposed to the lower courts, the Supreme Court acquitted for violation of the penal provision of the Copyright Act in connection with sale of pirate-smartcards which made it possible to watch coded emissions without paying. The Supreme Court stated that it was not obvious that the accused had presented the emissions by selling the smart-cards.

Rt. 1991-1296: A sentence with a fine of NOK. 10.000,- for violation of inter alia the Copyright Act for renting out pornographic videotapes to 32 colleagues and acquaintances.

Rt. 1983-1108: A sentence with a fine of NOK. 1.000,- and confiscation of 43 videotapes and seizure of kr. 5.000,- for illegal copying and for letting out the copied videotapes.

Lower Court decision:

Borgarting Court of Appeal 15. Dec. 1999: A preliminary injunction prohibiting sale of a cinematographic work on DVD, parallel imported from USA. Violation of the Copyright Act §54, litra e. It was substantiated that there was a violation of the prohibition against parallel import; even though the Norwegian distributor could not offer the cinematographic work on DVD until 6 months after the movie was shown on cinema.

- 2.8 *In addition, the groups are also invited to describe the role of the technical experts in the penal procedure. And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.*

The opinions of the technical experts will be taken into account among all the other evidence to show the validity of a right. Pursuant to the Norwegian penal legislation the intentional element and the validity of a right are two separate elements in the penal appreciation. The opinions of the technical experts showing the validity of a right will therefore not be taken into account to appreciate the intentional element.

- 2.9 *Lastly, the groups are invited to make known their general opinion on the interests of the penal sanctions for the acts of violation of the rights of intellectual property right.*

As a whole, the penal provisions concerning infringement of intellectual property rights are not usually brought to bear. Generally, the offended party claims compensation for infringement, whilst penal reactions are rare. This is mostly due to the fact that the most important effect for the owner of the intellectual property right is to bring the infringement to an end, and not to "punish" the infringer. Further, lack of resources and limited knowledge of this area of the law within the prosecuting authority is also of importance in this respect.

3. Proposal for solutions for the future

- 3.1 *Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

Norway has already established by law penal sanctions if the various intellectual property rights are violated. In the Norwegian legislation, there is no basis for differentiating the penal liability for infringements in the various legal IP-areas.

- 3.2 *Should violation of intellectual property rights be deliberate?*

As mentioned under section 2.2. it is only the violation of the Norwegian Copyright Act that states that negligent violation of copyright may result in penal sanctions. All the other intel-

lectual property acts demand deliberate infringement by the defendant. Seeing that penal actions against infringers are not prioritised by the prosecuting authority, it may become even more difficult to draw attention to these cases if prosecution could be initiated also even when the infringement has merely been negligent. In addition to this, it may seem as a rather strict solution to initiate penal sanctions against infringers that have had difficulties with establishing the existence of certain intellectual property rights, which may constitute negligence.

Normally, the most efficient sanctions against authors of infringements are prohibition and claim for damages. Thus, the penal liability should not be extended to violations that are not deliberate.

Could the proof of the intentional character result from the nature of the infringement, or does it have to be proven positively by the victim of the counterfeiting?

To establish that the infringement was intentional, the prosecutor must prove beyond reasonable doubt that the defendant in all probability understood that he was infringing an intellectual property right. The proof of the intentional character may result from a combination of the nature of the infringement and other proofs that establish the defendant's understanding of the infringement in question. It is merely necessary to prove that the defendant acted deliberately concerning the objective substance of the offence, not that he had to be aware that this action was punishable. This entails that proof of the intentional character may result merely from the nature of the infringement.

- 3.3 *Should the Judge in a criminal case have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure, or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

Within the first nine months after the granted patent is announced, there can be raised an objection against the validity of the patent to the Patent Office. The Patent Office then deliberates upon whether the requirements for granting the patent are fulfilled.

For trademarks, the same applies within the first two months after the granted trademark is announced, and for designs, within the first four months after the announcement.

When the mentioned time limits have expired, the Oslo City Court is the mandatory legal venue concerning civil decisions on the validity of intellectual property rights such as patents, designs and trademarks. This solution is chosen to establish the necessary legal expertise in these cases to obtain homogeneous decisions on similar legal questions. This is considered to be an appropriate system. Based on this, we do not advise that the judge in a criminal case should rule on the validity of an intellectual property right when deciding the penal liability of infringers. Instead, we advise that such penal actions should be postponed until the Patent Office (during the opposition period) or the Oslo City Court (after the opposition period) has decided on the validity.

- 3.4 *Should the victim of counterfeiting be a master of the criminal proceedings, i.e. introduce it and put an end to it, in particular by settlement?*

If an intellectual property right has been infringed, the victim needs to apply for prosecution. If the prosecuting authority brings charges against the alleged infringer, the offended party no longer has the possibility to withdraw the charge. This will now be in the hands of the prosecution. However, seeing that the production of evidence in most cases relies upon contribution from the offended party, the prosecution will most likely not be interested in carrying through an indictment, if the victim no longer has an interest in pressing charges.

As mentioned earlier, the police and the prosecuting authorities have limited resources, and infringement of intellectual property rights are not a priority. It might be possible that public indictment could rise awareness of the protection of intellectual property rights. However,

the prosecution is in most cases dependent upon receiving necessary proof of the infringement from the offended party. Thus, a collaboration between the victim and the police will still be necessary to ensure an effective prosecution against the infringer.

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

According to the Norwegian Prosecution Instructions, the victim is entitled to copies of relevant documents in the penal procedure. Seeing that the offended party has an opportunity to claim damages within the penal procedure, relying upon the evidence presented by the prosecution, the offended party should also have the option to initiate a civil procedure based upon the same evidence.

Report Q169

in the name of the Paraguayan Group

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

1. Introduction

The objective of this Questionnaire is to provide the members of the Association with the complete introduction of the legislation of each country to which each Group of the AIPPI belongs to.

This information must comment on the applicable legal regulations as well as on the legal practice.

The Groups must also indicate the changes they wish to introduce in their legislation on the basis of the practical application of their legal regulations.

The study must cover the different types of Intellectual Property Rights, particularly **Trade-marks, Patents, Designs and Industrial Models, Copyrights and Plant Patents.**

2. Substantive Law

The criminal penalties in cases of infringement of an intellectual right are established in the Criminal Code as well as in the special laws, which are as follows:

Law N° 1294 – Trademarks, dated August 6, 1998

Law N° 1328 – Copyrights and related rights, dated October 15, 1998.

Law N° 868 – Designs and industrial models, dated November 2, 1981.

Law N° 1620 – Patents, dated November 29, 2000.

Criminal Code

Transition Law N° 1444/98 in force until February 28, 2003.

The Groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

The legislations regarding intellectual property incorporate criminal penalties for infringement cases in accordance with the dispositions of Art. 61 of the TRIPS for the infringement of rights regarding trademarks, patents, invention and utility models, unfair competition and copyrights.

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

The Trademark Law foresees a penalty of one-to-three year of non-exempted jail sentence (meaning that the substitution of imprisonment may not be requested) plus a fine for the perpetrators of trademark counterfeiting, unfair competition and infringement against trade names.

The Copyright Law is a lot more benevolent regarding infringements in copyright matters, since it establishes a penalty of imprisonment, which is determined according to the type of felony; or a fine, which is also determined under the same standards. In the Trademark Law, being in the first case imprisonment and a fine, in the second one the Judge must decide between one or the other. Penalties are also established in the case of patents, and they go by the penalties established in the Criminal Code. This Code establishes punishments involving deprivation of freedom up to three years, or a fine.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

An in particular, does this penal liability require a special intentional element?

The objective element is not enough for the penal responsibility to be considered as such. The intentional element is required, since our penal system is based on the presumption of the defendant's innocence, as established by the constitutional dispositions and the general principle of the penal law.

Who has the burden of proof of this intentional element?

The burden of the evidence of the penal intent in penal infringement. It is important to point out that according to our legislation, the innocence is presumed and there is no need to prove it, it is the prosecutor's duty to (prosecutor and adhered accuser if the case shall be) prove the illicit act and the agent's criminal intention (reproachability). We may cite some legal dispositions of penal order.

Art. 53 of the Code of Criminal Procedure

"The burden of proof shall correspond to the Public Ministry that must prove the facts that found their accusation in an oral and public trial."

Art. 69 of the Code of Criminal Procedure

"The illegal acts of public penal actions, the victim or its legal representative, in the capacity of plaintiff, could intervene in the proceedings started by the Public Ministry, with all the rights and power foreseen in the Constitution, in this Code and in the legislations. The victim's participation as accuser shall not alter the powers granted by the law to the Public Ministry and to the Courts, nor will they be exempted from their duties."

As to the intentional element in the infringement, the Criminal Code refers to is as **The reproachability**, it is defined in Art. 14, section 5 of the Criminal Code as "**the reprobation based on the author's capacity of knowing the unlawfulness of the perpetrated act, and to determine according to said knowledge**".

Copyright Law

From the description of the facts that constitute felonies, the non-requirement of the intentional element arises to constitute a penal infringement, even though in practice there is no equal criterion in this regard, since Civil Court Judges understand that in order to issue a judicial decision, the infringer must act with criminal intention.

Is this special intentional element supposed or must it be proven positively?

Yes, in general principles the criminal intention must be proved in a positive way. Since the intention is an element that acts in the internal conscience of people, it is hard to prove this psychological element that must be met for the penal responsibility of the presumed infringer. Therefore, it is the conduct in coherence with other circumstances that

constitute the presumptions that the Judge must analyze at the time of issuing a judicial decision. In practice, there are facts that constitute the most authentic proof of the infringer's criminal intention, such as clandestine production and trading, the dumping price for the acquisition of merchandise, the absence of supportive documentation that could justify the origin of the infringing products, the lack of authorization of the owner of the right, the greater or least experience that could be held in regards to the practice of the profession or the enforced commercial activity.

Patent Law

In its Art. 75, the Patent Law remits the application of the criminal penalties for the infringement of the dispositions of the Criminal Code. As to the burden of proof, it also rules by the dispositions of the Criminal Code. It simply limits itself to establish the investment of the burden of proof in its Art. 76, explaining that it is to the effects of the civil procedure, in which case the judicial authority could request that the defendant prove that the identical product was not obtained through the patent proceeding. The defendant is in this case the one to prove its better right, and not the petitioner.

2.3 *The Groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability*

Criminally, the imposition of a penalty to the infringer is pursued as well as the repair of the damage caused by the crime; whereas in the civil state, no penalty in the penal order may be claimed (a punishment involving deprivation of freedom and/or a fine), but simply the repair of the damage caused by the crime and the cease of the action that constitutes the infringement. In both cases, the destruction of the products and the means used to commit the infraction may be requested. In the civil jurisdiction, the final decision must be awaited in order to obtain this result; whereas in the criminal jurisdiction, the destruction of the infringing products could be carried out after an expert's report has proved that the product is a counterfeit or unlawfully imitated. As to the Copyright Law, the final decision must be awaited in both jurisdictions to the effects of ordering the destruction of the products and the means used to commit the infraction.

As to the attainment of the precautionary measures in case of enforcing civil action, the applicant must necessarily grant enough guarantee for its concession; whereas if the penal action is executed by filing an accusation before the Public Ministry, the applicant could obtain the precautionary measure without having to grant any prior guarantee. The Copyright Law does not require to pay for a judicial bond for the concession of the precautionary measures.

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

Differences between infringement acts from the civil and penal point of view.

Civil infringements

The Trademark Law refers in general to the civil and penal infringements without making a clear distinction between both; it simply limits itself to state in Art. 84 that: "The owner of a right to exclusive use of a registered trademark or of a trade name may initiate action before a judicial authority against any person who infringes upon said right. The following acts shall be considered infringements upon the rights of an owner of a registered trademark:

- a) to apply or place a trademark or a similar distinguishing sign on products for which the trademark has been registered, or on products related to the services for which the trademark has been registered, or on containers, wrappers, or packaging of said products;
- b) to delete or modify the trademark with commercial purposes after the trademark has been applied for or placed on products;

- c) to manufacture labels, containers, wrappers, packaging, and other materials on which the trademarks or trade name are duplicated, as well as to trade or unlawfully possess said materials.
- d) to refill or use containers, wrappers or packaging that bear the trademark or commercial name with commercial purposes
- e) to use trade a sign identical or similar to the trademark or commercial name for any products or services when such use may cause confusion or a risk of association with the owner of the registration;
- f) to use in commerce a sign identical or similar to the trademark or commercial name for any products or services or activities when such use may cause the owner an unjust economic or commercial damage due to a dilution of the distinguishing force or of the commercial or advertising value of the sign, due to the unjust exploitation of the prestige of the sign or its owner; and
- g) to use publicly a sign identical or similar to the trademark or commercial name, even if it is used for non-commercial purposes, when said use may cause a weakening of the distinguishing force or of the commercial or advertising value of the sign, or an unjust exploitation of its goodwill.

Penal infringements

Art. 89 states that: A one-to-three year jail sentence, which cannot be suspended, and a fine equivalent to 1,000-3,000 minimum daily wages, shall be imposed:

- a) on persons who falsify or adulterate a registered trademark;
- b) on persons who fraudulently imitate a trademark;
- c) on persons who knowingly have in warehouse, place of sale, sell or contribute to the sale of or circulate products or services that bear a trademark that is falsified, fraudulently imitated or unlawfully placed on products or services;
- d) on persons who, with a fraudulent intent, apply or have applied on a product or service any false statement or false designation with respect to the nature, quality, quantity, number, weight or measure, the name of the manufacturer or the place or country where the product or service has been manufactured or dispatched; and
- e) on persons who knowingly place on sale, sell or contribute to the sale of products or services that bear any of the false declarations mentioned in the preceding paragraph.

Art. 92 establishes that: The same penalty mentioned in Art. 89 shall be imposed on persons that through fraudulent or malicious actions, or any other unfair means, try to deviate the clientele of a commercial or industrial establishment for their own or a third party's benefit. This is the case of unfair competition and this penalty is applicable to the cases of unlawful use of a trade name.

The felonies previously listed are of public penal action, persecuted ex-officio.

In essence, the crimes are the same from the civil and penal points of view. The most extensive writing of Art. 84 involves, in a more detailed way, the acts that constitute the infringement of the right of an owner of a registered trademark or trade name. It is important to point out that the trade name does not require prior registration formality in order to count with legal protection. As to the copyright law, it does not make a clear distinction between the infringements that constitute the civil and penal order either. It is important to point out that Judge will order the destruction of the infringing products and the means used to com-

mit the infringement, according to the copyright law, only at the time of issuing a final decision, due to which there is no possibility to destroy them before said decision is issued.

As to the acts of unfair competition listed in Art. 81 of the Trademark Law N° 1294/98, it seems to be that the law foresees only the judicial action before the civil and commercial jurisdiction in order to cease them or impede their repetition and to obtain the repair of the damages. However, it also states a criminal penalty in case they try to deviate the clientele of a commercial or industrial establishment for their own or a third party's benefit through unlawful or bad actions or through any other unfair means.

Another difference that could be pointed out is related to the terms for the limitation of civil or penal actions, being the civil action considered more extensive than the penal action.

When the criminal intention of the infringer can be proved, or shall the case be that he was aware that the action constituted an infringement, the penal action may be enforced, whereas if this security does not assist the interested party or the owner of the infringed right, he could choose the execution of the civil action. It is therefore up to the owner to execute the civil or penal action against these actions that constitute an infringement of his rights.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

Terms for limitation of civil or penal actions

Trademark Law N° 1294

It establishes that the penal action will lapse after **two years**, and the dispositions of the Criminal Code will be complementary applied to what is not specifically established in this law.

The term for the limitation of the penal action established in the Law N° 1294 is of **two years**, from the time the infringement was carried out. In the case of continuous felonies, the term of two years is counted from midnight on the last day in which the infringement was carried out, according to the Code of Criminal Procedure.

Patent law

Art. 77 establishes that the infringement action shall lapse after **two years**, to be counted from the time the owner was aware of the infraction or after four years from the time the infringement was carried out for the last time, being applied the term that expires first.

From the terms by which this article was written, it could be inferred that it refers to the limitation of the civil action and that the term for the limitation of the penal action is foreseen in the Code of Criminal Procedure, which is of 3 years.

Copyright law

It does not establish a term for the limitation, due to which it must rule by the disposition of the Code of Criminal Procedure, which establishes a term of 3 years.

Civil action

Art. 88 also states that: The action for infringement shall prescribe two years after the owner had knowledge worthy of belief about the infringement, or four years after the infringement was committed for the last time.

The term for the limitation of the civil action could be longer than the one foreseen for the execution of the penal action, since it establishes the beginning of the calculation for the limitation of the right to take action "at the time the owner has conscious awareness of the infringement" with the precise limitation that the term could not exceed **four years** from the time the last infringement was carried out. Whereas for the execution of the penal action, the term of 2 years is calculated from the time the infringement was effectively carried out and in the case of continuous felonies from midnight on the last day.

Unfair competition

This action will also lapse after two years from being consciously aware of said actions or after four years from the time the infringement was carried out for the last time, being applied the term that expires first.

Trade name

The Trademark Law also establishes criminal penalties for the actions of appropriation and unlawful use of a trade name, foreseeing the same penalties for these actions as for the cases of trademark counterfeiting and in consequence, the same term for the limitation of the action.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

The penal responsibility only applies to physical persons. The judicial persons are not subject of penal penalties. However, it is established in several articles of the law that those acting on their behalf are personally and criminally subject of penal actions, as detailed below.

The physical person shall act as:

1. the representative of a judicial person or as a member of its entities.
2. fellow partner of an association of people, or
3. the other party's legal representative,

shall personally respond for the punishable action, even if the conditions, qualifications or personal relationship required for the type of penalty are not established, if said circumstances occurred in the entity or the persons on which behalf or representation he shall act.

2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

The criminal court Judge does not have the authority to null or void a registration.

These actions correspond exclusively to the Civil Courts and must be debated and judged through an ordinary proceeding. In case of an administrative error, the Administrative Court may also declare the registration null, as the case shall be. The criminal court judge can not void a trademark registration or a patent that has been granted. He could though consider other aspects of the right presumably infringed, such as to disentail a person in a penal procedure in case the trademark registration was not in force at the time of the infringement, which would be a case in which the presumably infringed right did not exist and a specific judicial or administrative statement is required so its effects against third parties would cease, in reason of having expired.

While the statement of validity of a right is awaiting a decision, the Criminal Court Judge can not issue a verdict based on a right in conflict in another jurisdiction, especially when it affects the statement of validity of the invoked right that serves as grounds for an accusation. The defendant, though, may request the suspension of the penal procedure until the validity or the voidness of the presumably infringed right is declared. Furthermore, the Criminal Court Judge has the authority to grant or reject this suspension in each particular case.

2.6 *The Groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Penalties foreseen in the legislations regarding the infringement of intellectual property rights.

Law N° 1294/98

The penalties established in the Trademark Law N° 1294/98 are as follows: **A one to three year jail sentence, which cannot be suspended, and a fine equivalent to 1,000-3,000 minimum daily wages.**

Copyright Law

A punishment involving deprivation of freedom from six months to three years or a fine that differs according to the cases described in several articles and that establish the following penalties; please see below:

Article 166: A penalty of **six months-to-one-year jail sentence or a fine of five to fifty minimum wages.**

Article 167: A penalty of **six months-to-three-year jail sentence or a fine of one-hundred to two-hundred minimum wages.**

Article 168: A penalty of **two-to-three-year jail sentence or a fine of two-hundred to one thousand minimum wages.**

Likewise, Art. **169** establishes that in the final sentence, the Judge or the Criminal Court shall order the destruction of the illicit samples, and shall the case be, the non-use or destruction of the patterns, plates, master dies, negatives and other elements destined to their reproduction, and furthermore, as an additional punishment, the Judge or Criminal Court could order the publication of the final resolution in one or more newspapers, at the infringer's cost.

Article 170: A penalty of **two-to-three-year jail sentence or a fine of one-hundred to two-hundred minimum wages.**

We are unable to leave out the fact that the **Criminal Code**, in its Art. 184, also establishes a maximum penalty of **Three Years or a Fine** in the following cases:

- 1) that whom without the owner's authorization shall:
 1. close, pronounce, reproduce or publicly represent a literary work, science or art, protected by **copyright**.
 2. Publicly exhibit the original or a copy of a piece of visual or art work, protected by copyright, will be punished **with a penalty involving deprivation of freedom up to three years or a fine.**
- 2) Arrangements and other adaptations will be collated to the actions previously mentioned, which are protected by copyright.
- 3) The same penalty will be applied to whom **counterfeits, imitates or without the owner's authorization:**
 1. promotes a trademark, a design or **an industrial model or a utility model, protected, or**
 2. uses an **invention protected by a patent.**

The unfortunate writing of this article makes its hard for it to be enforced.

The Paraguayan Criminal Code was sanctioned by Law N° 1160/90, which came into force a year later, on November 26, 1998.

It is important to point out that Law N° 1294 came into force on October 1, 1998.

There are difficulties in the application of the penal penalties in the sense that the **Trademark Law N° 1294/98 establishes the following penalties:**

A one-to-three-year jail sentence, which cannot be suspended, and a fine of 1,000-3,000 minimum daily wages.

The Criminal Code establishes: ***a penalty of up to a three-year-jail sentence or a fine.***

This difficulty does not apply to the copyright law that also establishes ***a jail sentence, which cannot be suspended, or a fine.***

It does not apply to the Patent Law either, since it is not established a special penalty in the special law, but it only limits itself to the dispositions of the Criminal Code previously mentioned.

In the Trademark Law, even though both laws contemplate a punishment involving deprivation of freedom up to three years, it namely foresees that said penalty is not subject to be exempted and it also established a fine that could be set by the equivalent of the national currency corresponding to 1000 to 3000 minimum daily wages. The penal law, on the other hand, establishes the punishment involving deprivation of freedom up to three years or a fine, and it does not comment on the non-exemption of the punishment involving deprivation of freedom, which in its character of maximum penalty (not high enough) allows this benefit in favor of the infringer under determined conditions.

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

Damage Repair

The Code of Criminal Procedure introduces a new figure, which is the damage repair within the penal procedure.

The proceeding for the damage repair is contemplated under Title VII Arts. 439/457 that establish that once the final verdict or the decision whereby the security measure is imposed for unaccusability, the accuser or the Public Ministry could request the Judge to order the repair of the damage caused or the corresponding compensation, and the law suit must be conducted against the defendant. It establishes the requirements to be contained in the law suit, among which stand out the concrete and detailed declaration of the damages caused and the cause-effect relationship with the proved punishable action, as well as the repair sought for or the exact cost of the damage claimed, attaching the certified copy of the verdict that must be sound and final.

This proceeding allows the accuser or the Public Ministry (plaintiff) to request the repair of the damage caused or the corresponding compensation.

This proceeding is brief and authorizes the judge, shall the compensation seem obviously excessive, to intimate the interested party to amend it as well as to order the technical investigations for the evaluation of the damages and the cause-effect relationship. The rejection of the lawsuit may be appealed. Furthermore, shall the lawsuit be sustained, the judge will issue the order for the repair or compensation according to what was requested.

It is important to point out that the accuser is the one to file the evidence of the facts on which his request is founded, and the defendant could only object the accuser's legitimacy, the type of repair requested and the cost of the compensation. The objection must be supported and accompanied by all supportive evidence available.

If the lawsuit is not objected within 10 days, the order will be sound and final and the Judge will order its execution.

In case of objection of the order, the Judge shall call the interested parties to a settlement conference, the evidence filed will be set forth and he will listen to the arguments of the corresponding requests. Shall the plaintiff fail to appear, the withdrawal of the lawsuit and its

files will be carried out. If the defendant fails to appear, the order will become sound and final and the final decision will be duly executed. The Judge will be able to homologate the agreements to which they reach in the settlement conference or render a decision, which may be appealed.

The action to demand for the repair and compensation of the damage through this special procedure will lapse two years after the decision had been executed.

The Court that issued the decision for the repair of the damage caused according to the special procedure foreseen in this Code shall be in charge of the execution; therefore, the execution of the decision before the civil jurisdiction is not necessary.

It is important to point out that when the interested parties reach an agreement over the repair of the damage caused, which causes the termination of the penal action, the Court stating said action will issue the corresponding instructions in order to assure the fulfilment of the homologated agreements.

After all, the Criminal Court Judge may establish the compensations in concept of the damages caused to the victims in a brief written file only upon request of the accuser or the Public Ministry. To such effects, the victim must take the place of the accuser in order to enforce this right. This proceeding is also applicable to the cases in which an agreement has been reached before the decision is rendered. This new mechanism established in the penal legislation is an interesting alternative to avoid the beginning of an ordinary civil procedure, in order to obtain the repair of the damages caused to the victim the infringement carried out.

We cannot leave out the fact that Art. 85 of the Trademark Law N° 1294/98 also establishes that: In a final judgment following an action for infringement, the following measures may be ordered, among others:

- a) cessation of the acts that constitute the infringement;
- b) payment by the infringer of lawyers' fees and court costs and compensation for damages;
- c) attachment or seizure of the products that caused the infringement, including containers, packaging, labels, printed matter or advertising materials and other materials that caused the infringement, and materials and means that were used principally to commit the infringement;
- d) prohibition of import or export of the products, materials or means used to commit the infringement; and
- e) implementation of necessary measures to avoid the continuation or repetition of the infringement, including the destruction of the products, materials or means used to commit the infringement, and imposition of a fine equivalent to the value of 500-2000 daily minimum wages, to be paid to the Office of Industrial Property.

In conclusion, the Civil Court Judge may set the compensation of the damages caused at the time of rendering a final decision in a case of infringement, establishing the amount to be paid as long as the damage has been proved and its compensation has been requested.

2.7 *The Groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

And the Groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc.)

The new penal procedure in force offers a short end to the processes in terms of time and it may end in an agreement between the parties or with a short procedure in a short time,

which puts an end or suspends the penal procedure. There are several alternative means to end the procedure, which did not exist before, having to patiently await a final decision.

There are currently a few final decisions issued, which have all been appealed, and most procedures end in some type of agreement or shorten procedure.

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

The role of the technical consultants and experts

The experts' opinion is very important in the penal procedure in order to determine if it is a legitimate product or a counterfeit. The determination of the existence of the intention in the infringement is not subject to the report, which must be established by the Judge pursuant to the presumptions and circumstantial evidence. It is important to point out that after the expert's opinion, the infringing products may be destroyed with no need to await the rendering of a final decision in the cases of trademark counterfeiting. In civil actions, the experts' task is equally important, but the final decision must be awaited and further on wait for it to become sound and final.

In cases of infringement of copyrights, the destruction shall be ordered in the decision and executed once the decision is sound and final.

The Code of Criminal Procedure also contemplates the role of the Technical Consultant in its Art. 111 under the following terms: Shall any of the interested parties consider necessary to be assisted by a consultant in a field of science, art or technique, he shall propose so to the Judge, who will assign the experts according to the applicable rules, as pertinent, without having them to assume said role.

The technical consultant could also observe the expert's proceedings, make observations during the process without issuing an official opinion, and a record of the observations shall remain. The technical consultant could accompany the interested party in the trial, assist him in the actions according to his task, directly question the experts and draw a conclusion on the expert's report, always under the supervision of the party to which he is assisting.

The Public Ministry shall assign their technical consultants directly, without a judicial assignment.

The technical experts usually accompany the Prosecutor at the time of carrying out a search under court order or the seize of products to previously give a judgment on the legitimacy of the affected products; however, his judgment does not bear enough force to order the destruction of the products. In any case, his opinion must be ratified by an expert registered in the matter.

2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

It is obvious that the slightly severe penalties for the infringement of the rights do not manage to inhibit the actions of the infringers. More severe punishments involving deprivation of freedom, which may not be suspended, must be established, as well as fines that would mean an important economic harm, the hybrid enforcement of the Criminal Code and the special laws prejudice the correct enforcement of the laws and most of the time generates dissimilar judicial criteria, which often contradict each other. The reform of the Criminal Code is needed in order to try to harmonize its dispositions with the ones inserted in the special laws, or introduce them directly into the Criminal Code.

3. Proposals for future solutions

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonization at the international level.

3.1 *The Groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

We consider that the punishments involving deprivation of freedom must be standardized in all cases of infringement of any intellectual right, shall they be against copyrights, the owner of a trade name, designs or industrial models and Patents.

3.2 *The Groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual rights.*

In cases of infringement of the intellectual property rights, I consider appropriate to eliminate the requirement that an intentional element must meet to be liable to a criminal penalty. The infringement of this right, with or without criminal intention, must be liable for the penalty in order to inhibit the diffusion of the infringing products under the excuse of possessing them in good faith or retaining them with commercial purposes. Besides, this fact exempts judges from a discrete application and interpretation of each case of infringement based on the hard-to-prove subjective elements, as it is the case of the psychological element of the intent.

3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

The Criminal Court Judge cannot void a registered right within the penal procedure. He may not void a trademark registration nor void a patent, just as he cannot void the title of a deed or vehicle. The void of a recordable judicial action is of exclusive responsibility of Civil Court Judges, it is a constituted and registered right that goes beyond the responsibility of Criminal Court Judges that must limit themselves to impose penalties, fines and repair of damages. They are not legally qualified to void property rights, which is the legal responsibility of judges of the civil and commercial jurisdictions.

The victim may request the suspension of the judicial sentence until the civil authority decides over the legitimacy or illegitimacy of the opposed title in the criminal jurisdiction, because the lack of the right which infringement is alleged by the accuser would cause extremely unfair judicial sentences.

3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

According to our penal system, the victim of counterfeiting must not necessarily direct the process. When it refers to felonies of public action, the Public Ministry may act even ex-officio or at the interested party's request. He may take the position of an adhered accuser, which is always the most advisable in order to have some participation and control over the actions of the judicial branch, file evidence and make sure that the infringing merchandise are secured and out of the trading circle. Likewise, request the Criminal Court Judge the repair of the damages caused, and fulfil agreements with the infringers and request the execution of said agreements in case of nonfulfillment.

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

Yes, the victim may use them within the civil procedure, as long as they are between the interested parties and they have not been altered by the opponent party.

4. Various

The Groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.

Indeed, taking into account the pioneer character of the question, the AIPPI wishes to profit from the experience of the national and regional groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

Observation: It will be of great use and highly appreciated for the Groups to follow the order of the questions in their reports and that they cite the questions and numbers.

- a) The need to impose more severe punishments involving deprivation of freedom is mandatory, as well as economic penalties of greater impact to inhibit infringers, without prejudice to seize and destroy the merchandise, which must be done in all cases before the rendering of a final decision.
- b) Standardize the penalties and fines for all cases of infringement of an intellectual property right for cases of infringement of copyrights, patents, trademarks, trade names, designs and industrial models. Harmonize these dispositions and include them in the Criminal Code as felonies of public penal action. It is important to point out in this case that the felonies against the intellectual property have been classified into the group of public penal action by the Transition Law, which will be in force until the year 2003.
- c) Eliminate the subjective element in all cases of intent as a requirement for the imputability of the infringer as well as the image of good faith or the lack of commercial purposes as an exception to the holder. An extenuated penalty can be established for the primary infringer. The deprivation of this psychological element will authorize the judges to render final decisions in a greater number of cases and will limit their *facultará discrecional*. The simple proof of the possession or existence of the infringing product or its commission, will be enough proof to make it liable for a criminal penalty, whether the action was executed with fraudulent or criminal intention or simply out of guilt. It is obvious that the execution of the penal action is more effective, less onerous than the civil action. Therefore, its scope of enforcement must be enlarged in order to repress and attack this calamity.

Traduction française

Les sanctions pénales relatives à la violation des droits de propriété intellectuelle

1. Introduction

L'objectif de la présente question es de fournir aux membres de l'Association une complète présentation de l'état des lois positives dans chaque pays du monde auquel appartient chaque Groupe de l'AIPPI.

Cette information doit commenter également les normes légales applicables et la pratique légal.

Les Groupes devront aussi indiquer quels sont les changements qu'ils souhaiteraient introduire dans leur législation sur la base de l'application pratique de leurs normes légales.

L'étude doit contenir les divers types de Droits de la Propriété intellectuelle, en particulier **marques, licences, dessins et modèles industriels, droit d'auteur, licence de végétales.**

2. Le droit positif

Les sanctions pénales dans les cas d'infraction à un droit intellectuel sot prévues dans le Code Pénal comme aussi dans des lois spéciales qui sont:

Loi N° 1294 de Marques du 6 Août 1998

Loi N° 1328 de Droit d'auteur et des droits connexes du 15 octobre 1998.

Loi N° 868 de Dessins et de modèles industriels du 2 novembre 1981.

Loi N° 1620 de Brevet d'invention en date du 29 novembre 2000.

Code Pénal

Loi de la transition N° 1444/98 en vigueur jusqu'au 23 février 2003.

Les Groupes sont invités à présenter le système légal actuellement en vigueur dans leurs pays du point de vue de l'application des sanctions pénales en Droit de la propriété intellectuelle.

2.1 Plus particulièrement, les Groupes sont invités à indiquer si les dispositions de l'article 61 du Traité TRIPS ont été introduites dans leur législation nationale en ce qui concerne les marques et le droit d'auteur.

La législation concernant la propriété intellectuelle introduise des sanctions pénales pour les cas d'infraction en accord avec les dispositions de l'Art. 61 de TRIPS pour les violations des droits des marques, d'auteur, des brevets d'invention et des modèles d'utilité, des modèles industriels et de la concurrence déloyale.

Les lois nationales prévoient-elles des sanctions pénales en cas d'atteintes à d'autres droits de propriété intellectuelle, tels que brevets, dessins et modèles, concurrence déloyale etc.?

La loi des marques prévoit pour les auteurs des falsifications des marques, de la concurrence déloyale et des infractions contre le nom commercial, établit une peine d'un à trois ans de prison non substitutifs (c'est à dire que l'on ne peut pas demander la substitution de la prison) en plus d'une amende.

La loi du Droit d'auteur, est beaucoup plus indulgente vis à vis les violations en matière de copyright, puisqu'elle fixe une peine de prison, dont la durée est graduée selon le type de délit, ou une amende aussi graduée. Dans la loi de marques si bien que dans le premier cas l'on considère la prison et l'amende, dans le second cas le Juge doit opter entre l'une ou l'autre. Aussi dans les cas des brevets s'établissent des pénalités et les renvoie aux pénalités établis dans le Code Pénal. Ce code établit la peine privative de la liberté d'un an jusqu'à trois ans ou une amende.

2.2 Les Groupes sont invités à présenter quelles sont les conditions de la responsabilité pénale pour les actes de contrefaçon des droits de propriété intellectuelle.

Et notamment, cette responsabilité pénale exige-t-elle un élément intentionnel spécial?

Il ne suffit pas de compter sur l'élément objectif pour considérer qu'il y a responsabilité pénale. On a besoin d'avoir l'élément intentionnel, puisque notre système pénal est basé sur la présomption de l'innocence de l'accusé, d'après les dispositions constitutionnelles et les principes généraux prévus dans le droit pénal.

Qui a la charge de la preuve de cet élément intentionnel?

La charge de la preuve de l'intention frauduleuse dans l'infraction pénale. Il est important de remarquer que selon notre législation l'innocence se présume et ne doit pas être prouvée, il reste à la charge de l'accusation (le procureur et le demandeur adhésif au cas où il y aurait lieu) prouver l'illicite et l'intention frauduleuse de l'agent (reprochable). A ce sujet on peut citer quelques dispositions légales d'ordre pénal.

Art. 53 du Code d'Instruction Pénal

"La charge de la preuve correspondra au Ministère Public, qui devra prouver pendant le jugement oral et public les faits qui justifieront l'accusation."

Art. 69 du Code d'Instruction Pénal

"Dans les faits punitifs d'action pénale, la victime ou son représentant légal, en tant que partie plaignante, pourra intervenir dans le procès débuté par le Ministère Public, avec tous les droits et les facultés prévues dans la Constitution, dans ce Code et dans les Lois. La participation de la victime en tant que partie plaignante n'altèrera pas les facultés concédées par la loi au Ministère Public et aux Tribunaux ni les dispensera de leurs responsabilités."

L'imputabilité comme l'élément d'intention dans l'infraction, est définie dans le Code d'Instruction Pénal dans l'art. 14 sous-alinéa 5 du Code d'Instruction Pénale comme la "**réprobation basée sur la capacité de l'auteur de connaître le caractère anti-juridique du fait réalisé et de se prononcer conformément à cette connaissance**".

Loi du Droit d'Auteur

De la description des faits qui constituent les délits, il apparaît qu'il ne faut pas un élément intentionnel pour constituer une infraction pénale, bien que dans la pratique il n'existe pas de parité de critères à ce sujet, puisque les juristes considèrent que pour établir une condamnation pénale, le transgresseur doit agir avec intention frauduleuse.

Cet élément intentionnel spécial est-il présumé ou doit-il être positivement prouvé?

Oui, selon les principes généraux l'intention criminelle doit être prouvée positivement. Comme l'intention constitue un élément qui entre à agir dans le for intérieur des personnes, il est difficile de prouver cet élément psychologique qui doit contribuer à la responsabilité pénale du supposé transgresseur. C'est à dire que la manière d'agir en rapport avec d'autres circonstances qui constituent les présomptions, celles-ci seront prises en compte par le juge qui devra les analyser au moment de déterminer le verdict. Dans la pratique il existe des réalités comme par exemple la production et le commerce clandestin, le prix bas d'acquisition des marchandises, l'absence de documentation qui pourrait justifier l'origine des produits en infraction, le manque d'autorisation du titulaire du droit, le majeur ou mineur expérience en dépit de l'exercice de la profession ou de l'activité commerciale qu'il exerce, constituent la preuve la plus importante de l'intention frauduleuse du transgresseur.

Loi des brevets

La loi des brevets dans son article 75 renvoie à l'application des sanctions pénales par infraction aux dispositions du Code d'Instruction Pénal. La charge de la preuve est aussi en vigueur dans le Code d'Instruction Pénal. Il se limite simplement à établir dans l'article 76 l'inversion de la charge de la preuve, en éclaircissant que dans ce cas l'autorité judiciaire pourra solliciter que l'accusé prouve que le produit identique n'a pas été obtenu par le procédé enregistré. Dans ce cas c'est l'accusé et non le demandeur qui devra faire preuve de son meilleur droit.

- 2.3 *Les Groupes doivent également indiquer s'il existe des différences entre les actes de contrefaçon d'un droit de propriété intellectuelle du point de vue de la responsabilité civile et de la responsabilité pénale.*

En droit pénal on poursuit l'imposition d'une peine au transgresseur et la réparation des dommages, de manière à ne pas pouvoir réclamer civilement aucune sanction d'ordre pénal (peine privative de la liberté et/ou amende) mais simplement la réparation du dommage et la cessation de l'acte qui constitue l'infraction. Dans les deux cas on peut solliciter la des-

truction des produits et des moyens utilisés pour commettre l'infraction. Dans la juridiction civile on devra attendre le verdict définitif pour obtenir ce résultat tant que dans la juridiction pénale la destruction des produits en infraction peut être réalisé après la vérification qui prouve que le produit est faux ou a été frauduleusement imité. Conformément à la loi du droit d'auteur dans les deux juridictions on devra attendre l'arrêté définitif pour procéder à la destruction des produits et aux moyens utilisés pour commettre l'infraction.

Conformément à l'obtention des mesures de précaution au cas où l'action civile serait exercée, il sera nécessaire de donner au demandeur la même caution suffisante pour sa concession, mais si l'on exerce l'action pénale en établissant une demande auprès du Ministère Public, celui-ci peut obtenir une mesure de précaution indépendamment de toute caution préalable. La loi de Droit d'Auteur n'exige pas de contre-caution pour la concession des mesures de précaution.

Les Groupes doivent indiquer si ce sont les mêmes actes de contrefaçon qui sont susceptibles d'engager la responsabilité civile et la responsabilité pénale.

Différences entre les actes d'infraction du point de vue civil et pénal

Les infractions civiles

La loi de marques fait allusion aux infractions civiles et pénales par infraction sans faire distinction entre les deux, et elle se limite simplement à énoncer dans l'article 84: "Le titulaire d'un droit d'utilisation exclusive d'une marque enregistrée ou d'un nom commercial pourra établir une action auprès d'une autorité juridique vis à vis d'une personne quelconque qui aurait commis une infraction de ce droit:

- a) appliquer ou mettre la marque ou un signe distinctif semblable sur des produits pour lesquels la marque a été enregistrée, ou sur des produits en rapport aux services pour lesquels la marque a été enregistrée, ou sur les, récipients, les emballages, ou l'aménagement des dits produits;
- b) supprimer ou modifier la marque avec des finalités commerciales lorsque la même aura été mis sur les produits;
- c) fabriquer des étiquettes, des récipients, des emballages et toutes matérielles capables de reproduire ou qui porteraient la marque ou le nom commercial, comme aussi commercialiser ou détenir telles matérielles;
- d) remplir ou réutiliser avec des finalités commerciales des récipients ou emballages qui portent le nom commercial;
- e) utiliser pour le commerce un signe identique ou similaire à la marque ou au nom commercial pour un produit quelconque ou des services quand l'usage produit confusion ou risque d'association avec le titulaire du produit;
- f) utiliser pour le commerce un signe identique ou similaire à la marque ou au nom commercial pour tout produit, service ou activité lorsque cela pourrait provoquer au titulaire un dommage économique ou commercial injuste à cause d'une dilution de la force distinctive ou la valeur commerciale ou publicitaire du cliché, ou d'un emploi injuste du prestige du cliché ou de son titulaire;
- g) utiliser publiquement un signe identique ou similaire a la marque ou au nom commercial, même s'il s'agit des finalités non commerciales, toutefois que cela puisse provoquer la dilution de la force distinctive ou la valeur commerciale ou publicitaire du cliché ou d'un emploi injuste du prestige du signe ou de son titulaire.

Infractions pénales

L'article 89 dit: On imposera la peine de un à trois ans de prison sans exempt et une amende de mille à trois mille salaires journaliers minimums:

- a) à ceux qui falsifient ou adultèrent une marque enregistrée.
- b) à ceux qui imitent frauduleusement une marque enregistrée;
- c) à ceux qui à consciencieusement possèdent en dépôt, mettent en vente ou se prêtent à vendre ou à faire circuler des produits ou des services avec une marque altérée, frauduleusement imitée ou illicitement appliquée;
- d) à ceux qui avec une intention frauduleuse appliquent ou font appliquer vis à vis d'un produit ou d'un service une énonciation ou toute désignation fautive par rapport à la nature, la qualité, la quantité, le nombre, le poids ou la mesure, le nom du fabricant ou le lieu ou le pays ou il aura été produit ou émis et;
- e) à ceux qui consciencieusement mettent à la vente, vendent ou se prêtent à vendre des produits ou des services énoncés dans l'alinéa précédent.

Ces alinéas décrivent les conduites considérées anti-juridiques ou il est mis en évidence la requête de l'élément intentionnel dans les infractions d'ordre pénal.

L'Article 92 dispose: "La même peine de l'article 89 sera appliquée à ceux qui à travers des machinations frauduleuses ou malveillantes, ou tout autre moyen non loyal, essayent de détourner au propre profit ou d'un tiers la clientèle d'un établissement commercial ou industriel". C'est le cas de la concurrence déloyale et cette peine est applicable aux cas d'utilisation frauduleuse d'un nom commercial.

Les délits numérotés ci-dessus sont d'action pénale publique et poursuivie d'office.

En essence, les actes du point de vue civil et pénal sont les mêmes. La rédaction plus ample de l'article 84 comprend de manière plus détaillée les actes qui constituent l'infraction au droit d'un titulaire d'une marque enregistrée ou d'un nom commercial. Il est important de signaler dans ce sens que le nom commercial n'a pas besoin de la formalité de l'enregistrement préalable pour jouir de la protection légale. En ce qui concerne la loi de droit d'auteur la distinction entre quelles sont les infractions d'ordre civil et pénal n'est pas non plus claire. Il est important d'indiquer que la destruction des produits en infraction et les moyens utilisés pour les faire conformément à la loi de droit d'auteur, sera ordonnée par le Juge seulement au moment de prononcer le verdict définitif, donc, la possibilité de les détruire avant ce verdict n'existe pas.

Pour les actes de la concurrence déloyale numérotés dans l'Article 81 de la Loi de Marques la loi 1296/98 prévoit seulement l'action judiciaire auprès du for civil et commercial pour les faire cesser ou empêcher sa répétition et pour obtenir la réparation des dommages et préjudices, cependant elle établit la sanction pénale pour le cas des machinations frauduleuses ou malveillantes ou tout autre moyen déloyal pour détourner au non d'un tiers la clientèle d'un établissement commercial ou industriel.

Une autre différence que l'on peut signaler est en rapport aux termes de la prescription de l'action civile et pénale et l'on peut considérer la prescription civile plus ample que la pénale.

Lorsqu'on peut prouver l'intention frauduleuse du transgresseur ou s'il avait connaissance que cet acte constitue une infraction, on peut exercer l'action pénale, cependant si cette sécurité n'assiste pas l'affecté ou le titulaire du droit transgressé celui-ci pourra opter pour l'exercice de l'action civile. Il reste donc au choix du titulaire d'exercer l'action civile ou pénale contre ces actes qui constituent une infraction à son droit.

Les délais de prescription de ces actes sont identiques du point de vue de la responsabilité civile et du point de vue de la responsabilité pénale?

Terme pour la prescription de l'action pénale

Loi 1294 de Marques

Elle établit que l'action pénale prescrira au bout de **deux ans**. Les dispositions supplétoires du Code pénal seront appliquées pour ce qui n'est pas établi dans cette loi.

Le terme pour la prescription de l'action pénale établi dans la Loi 1294 est de **deux ans**, à compter du moment de l'infraction. En cas des délits continus le terme de deux ans est considéré à partir de minuit du dernier jour que l'infraction a été commise, conformément au Code d'Instruction Pénal.

Loi de brevet d'invention

L'article 77 établit que l'action par infraction prescrira au bout de **deux ans** à compter du moment où le Titulaire a pris connaissance de l'infraction ou au bout de quatre ans du moment de la dernière infraction commise, on appliquera le délai d'échéance à court terme.

Compte tenu des termes dans lesquels cet article a été rédigé, on peut déduire qu'il fait allusion à la prescription de l'action civile et que l'échéance pour la prescription de l'action pénale est celle qui est prévue dans le Code d'Instruction Pénale, c'est à dire de 3 ans.

Loi du droit d'auteur

Elle n'établit aucun délai pour la prescription raison pour laquelle elle devra respecter la disposition du Code d'Instruction Pénale qui établit un terme de 3 ans.

Action civile

L'Article 88 dispose: L'action par infraction prescrira au bout de deux ans à partir du moment où le titulaire a eu connaissance évidente de l'infraction, ou au bout de quatre ans à partir du moment qu'elle a été commise pour la dernière fois.

Le terme de la prescription de l'action civile pourrait être plus ample que celui prévu pour l'exercice de l'action pénale de ce fait on 'établit le début du calcul pour la prescription du droit de mener l'action "le moment où le titulaire a eu connaissance évidente de l'infraction", le délai ne pourra pas dépasser les **quatre ans** du moment où la dernière infraction a été commise. En tant que pour l'exercice de l'action pénale le terme de deux ans est à compter du moment où l'infraction a été effectivement commise et dans le cas des délits continus à partir de minuit du dernier jour.

Concurrence déloyale

Cette action prescrira au bout de DEUX ANS à compter du moment d'avoir eu connaissance évidente de ces actes ou au bout de quatre ans calculés à partir du moment d'avoir commis pour la dernière fois l'acte, en appliquant le délai qui expire auparavant.

Nom commercial

La loi de marques établit aussi des sanctions pénales pour les actes d'appropriation et d'utilisation frauduleuse d'un nom commercial, en prévoyant pour ces actes les mêmes peines que pour les cas de falsification de marques et en conséquence aussi le même délai pour la prescription de l'action.

2.4 Les Groupes doivent également indiquer si leurs lois nationales prévoient la responsabilité pénale d'une personne morale pour des actes de contrefaçon.

La responsabilité pénale correspond seulement aux personnes physiques. Les personnes juridiques ne sont pas passibles de sanctions pénales. Cependant, quelques articles de la loi établissent que peuvent subir personnel et pénalement ceux qui agissent à son nom comme on illustre ci-dessous.

La personne physique agissant comme:

1. représentant d'une personne juridique ou comme membre de ses organes
2. partenaire mandataire d'une société de personnes, ou
3. représentant légal d'une autre,

répondra personnellement par le fait punitif, quoiqu'elles n'abondent pas dans les conditions, qualités ou relations personnelles requises par le type pénal, si les circonstances sont données en agissant au nom d'une entité ou des personnes.

2.5 *Le Tribunal pénal qui statue sur la responsabilité pénale pour un acte de contrefaçon a-t-il le pouvoir de statuer sur la question de la validité du droit de propriété intellectuelle ou cette appréciation relève-t-elle du seul pouvoir d'une juridiction civile?*

Si le juge pénal n'a pas le pouvoir d'apprécier la validité du droit de propriété intellectuelle et notamment d'en prononcer la nullité, est-il possible au défendeur à l'action en contrefaçon au pénal de demander un sursis à statuer pour saisir le juge civil ou l'Office des brevets de l'appréciation de la validité du titre qui lui est opposé?

Le Juge Pénal n'a pas la faculté d'annuler ou cesser un enregistrement accordé. Ces actes sont de compétence exclusive des tribunaux Civils et doivent être discutés et jugés selon une procédure ordinaire. En cas de faute administrative le Tribunal des Comptes peut aussi selon le cas déclarer la nullité d'un enregistrement accordé. Le Juge pénal ne peut annuler un enregistrement d'une marque ou d'un brevet accordé. Si bien il peut considérer d'autres aspects du droit certainement transgressé comme par exemple délier une personne dans un procès pénal lorsque le cas est supposé que l'enregistrement de la marque n'était pas en vigueur au moment de commettre l'infraction, ce que définitivement serait le cas ou le droit transgressé de toutes manières était inexistant et ne précise pas de déclaration judiciaire ou administrative pour cesser son effet vis à vis des tiers personnes, pour être caduc.

La déclaration de validité d'un droit est toujours en suspens, le Juge Pénal ne peut prononcer la sentence condamnatoire quelconque basée sur un droit en question dans une autre Juridiction, moins encore lorsqu'elle touche une déclaration de validité du droit invoqué qui est à la base d'une requête. Si le défendeur sollicite la cessation du procès pénal jusqu'à ce que la validité o invalidité de ce droit supposé transgressé soit prononcée, le Juge Pénal peut accorder ou débouter de sa demande de cessation dans chaque cas particulier.

2.6 *Les Groupes doivent également indiquer quelles sont précisément les sanctions prévues par leur législation pénale pour des actes de contrefaçon des droits de propriété intellectuelle.*

Sanctions prévues dans les législations pour la violation des droits de la propriété intellectuelle.

Loi 1294/98

Les peines établies dans la loi des marques 1294/98 est **d'un a trois ans de prison sans exempt et une contravention de mil a trois mille salaires journaliers minimums.**

Loi de droit d'auteur

Peine privative de liberté de six mois jusque à trois ans ou une contravention variable selon les cas décrits dans certains articles et qui établissent les peines suivantes:

Article 166: Peine de **six mois à un an de prison ou une amende de cinq a cinquante salaires journaliers minimums.**

Article 167: Peine de prison de **six mois à trois ans ou une amende de cent à deux cents salaires journaliers minimums.**

Article 168: Peine de prison de **deux à trois ans ou une amende de deux cents à mille salaires journaliers minimums.**

L'Article **169** dispose également que le Juge ou le Tribunal prononcera dans le verdict la destruction des exemplaires illicites et, le non-usage des moules, des planches, des maquettes, des négatifs et de tout autre élément servant à leur reproduction et en plus comme

peine accessoire, Le Juge ou le tribunal pourra ordonner la publication dans un ou plusieurs journaux, l'arrêt de la sentence condamnatoire, à la charge du transgresseur.

Article 170: Peine de prison de deux à trois ans ou une amende de cent à deux cents salaires journaliers minimums.

On ne peut pas oublier que le **Code Pénal** dans l'article 184 établit une peine maximale de **trois ans ou une amende** dans les cas suivants:

- 1) Celui qui sans l'autorisation du titulaire:frauduleusement
 1. divulgue, prononce ou reproduit ou représente publiquement une oeuvre littéraire, science ou art, protégée par le **droit d'auteur**
 2. expose publiquement l'original ou une copie d'une oeuvre d'arts plastiques ou visuels, protégée par le droit d'auteur, il sera puni **par une peine privative de liberté jusqu'à trois ans ou avec une amende.**
- 2) Aux oeuvres signalées dans l'alinéa précédent se comparent les arrangements et d'autres adaptations protégées par le droit d'auteur.
- 3) Avec la même peine sera puni celui qui **falsifie, imite ou, sans autorisation du titulaire:**
 1. procède à promouvoir une marque, un dessin ou **un modèle industriel ou un modèle d'utilité, protégés ou**
 2. utilise une **invention protégée par brevet.**

La malheureuse rédaction de cet article rend plus difficile son application dans la pratique.

Selon la loi 1160/70 la Code Pénal Paraguayen a été sanctionné, il était en vigueur un an après, c'est à dire le 26 Novembre 1.998.

Il est important de signaler que la Loi 1294 est en vigueur depuis le 1^{er} octobre 1998.

Il existe certaines difficultés dans le sens ou l'application des sanctions pénales de **la loi de marques 1294/98 établit les peines suivantes:**

Prison d'un à trois ans sans exempt et une contravention de mille à trois milles salaires journaliers minimums.

Le Code Pénal établit **une peine privative de liberté jusqu'à trois ans ou une contravention.**

Cette difficulté n'apparaît pas dans la loi de droit d'auteur qui établit également **la peine privative de liberté ou une contravention.**

Elle n'apparaît pas non plus par rapport à la loi des Patentes, donc cette Loi spéciale n'établit pas de sanction spéciale sinon renvoie simplement aux dispositions du Code Pénal déjà citées.

La Loi de Marque, si bien que les deux contemplent une peine privative de liberté maximale de trois ans, la loi de marques prévoit explicitement que cette peine n'est pas dispensable et elle établit par ailleurs une contravention qui pourra être fixée entre l'équivalent en monnaie nationale de 1000 a 3000 salaires journaliers minimums. La Loi pénale, établit aussi une peine privative de liberté jusqu'à trois ans ou la contravention et ne fait pas allusion à la dispense de la peine privative de liberté, laquelle à cause d'une peine maximale peu élevée admet ce bénéfice pour le transgresseur sous certaines conditions.

Les tribunaux qui prononcent des sanctions pénales sont-ils également compétents pour allouer des dommages-intérêts en réparation du préjudice subi par les victimes des actes de contrefaçon ou cela relève-t-il de la compétence exclusive des tribunaux civils?

Réparation du préjudice

Le Code du Procès Pénal introduit une nouvelle figure laquelle constitue la réparation du préjudice dans le procès pénal.

Cette procédure de réparation du préjudice est contemplée dans le Titre VII articles 439/457 qui établit que une fois la sentence prononcée soit de condamnation ou d'une mesure de précaution par imputabilité, le demandeur ou le Ministère Public pourra demander au Juge qu'il procède à ordonner la réparation du préjudice provoquée ou qu'il procède à dédommager de la manière qui correspond et la querelle devra être dirigée ver le condamné. Il établit les conditions requises qui devront contempler la querelle qui met en relief l'expression concrète et détaillée des préjudices subis et en rapport de causalité avec le fait punissable prouvé ainsi que la réparation qu'il cherche ou le montant exact de la réparation prétendue, qui devra être accompagné d'une copie certifiée de la sentence prononcée qui devra être ferme et ne pourra pas faire l'objet d'un appel.

Cette procédure permet au plaignant ou au Ministère Public de demander la réparation des préjudices ou de dédommager.

Cette procédure a un caractère bref et permet au Juge lorsque la demande de dédommagement soit excessive d'intimer à la partie à sa correction et d'ordonner les vérifications techniques afin d'évaluer les préjudices et le rapport de causalité. Le refus de la querelle pourra faire l'objet d'un appel. D'ailleurs, une fois la querelle admise, le Juge procédera au mandat de réparation ou de dédommagements conformément à ce qui a été demandé.

Il faut signaler qu'il correspondra au Plaignant particulier la preuve des actes sur lesquels sont fondés sa prétention et le défendeur pourra seulement objecter la légitimité du plaignant, la classe de réparation demandée et la somme de l'indemnité. L'objection devra être fondée et accompagnée de toute preuve dont on dispose.

Sans objection du mandat dans un délai de 10 jours, l'ordre sera ferme et on procédera à son exécution.

Dans le cas d'objection de l'ordre, le Juge convoquera les parties concernées à une audience de conciliation, il produira les preuves offertes et entendra les arguments des prétentions. La non-comparution du plaidant produira le désistement de la demanda et son archivage. Si le défendeur ne comparaît pas, le mandat restera ferme et on procédera à son exécution. Le Juge pourra homologuer les accords de l'audience de conciliation ou bien il prononcera la sentence qui pourra faire l'objet d'appel.

L'action pour demander la réparation ou les dédommagements par cette procédure spéciale prescrira au bout de deux ans.

Le Tribunal qui a prononcé la sentence de réparation du préjudice, selon la procédure spéciale prévue dans ce Code, sera chargé de son exécution, donc il n'est pas nécessaire l'exécution de la même auprès de la Juridiction Civile.

Il est important de signaler, lorsque les parties arrivent à un accord concernant la réparation du préjudice, qui produit l'extinction de l'action pénale, le Tribunal qui la déclare fera le nécessaire pour assurer l'application des accords homologués.

En définitive, le Juge Pénal pourra établir les indemnités pour les dommages produits aux victimes sous forme d'instruction et plus brève, seulement si le plaignant ou le Ministère Public le demande. A cet effet, la victime doit assumer le rôle de plaignant pour exercer ce droit. Cette procédure est aussi applicable au cas d'aboutir à un accord réparatoire avant que la sentence soit prononcée. Cette nouvelle procédure établit dans la législation pénale constitue un choix intéressant pour éviter le début d'une procédure civile ordinaire, afin d'obtenir la réparation des préjudices produits à la victime par l'infraction commise.

On ne peut pas oublier que la Loi 1294/98 de Marques établit aussi dans l'Article 85: Dans la sentence définitive d'une action par infraction on pourra ordonner les mesures suivantes, entre autres:

- a) la cessation des actes qui constituent l'infraction;
- b) le paiement des dépens et des frais de jugement et des indemnités pour les dommages et préjudices;
- c) La saisie ou le séquestré des produits en infraction, des récipients, des emballages, des étiquettes, de tout le matériel imprimé ou de publicité ainsi que de tout autre matériel résultat de l'infraction et des matériels et des moyens qui ont servi à commettre l'infraction;
- d) L'interdiction de l'importation ou de l'exportation des produits, des matériels ou des moyens en infraction;
- e) Les mesures nécessaires pour éviter la continuité ou la répétition de l'infraction, y compris, la destruction des produits, matériels ou moyens utilisés pour aboutir à telle finalité et une contravention de cinq cents à deux mille salaires journaliers minimums qui devront être réglés à la Direction de la Propriété Industrielle.

Pour conclure, le Juge Civil peut prononcer une sentence définitive, dans un cas d'infraction l'indemnité des dommages et préjudices, en fixant le montant si dans le procès le dommage a été prouvé et on a demandé les dédommagements.

2.7 *Les Groupes sont enfin invités à donner toutes les informations pratiques qu'ils estiment utiles pour la connaissance de leur système juridique et notamment des informations concernant la personne qui est investie du droit d'engager une procédure pénale, la charge de la preuve de l'infraction, la possibilité pour une partie de mettre fin à l'instance par une transaction, etc.*

Et les Groupes sont invités à fournir, si elles existent, des informations statistiques concernant les recours à des procédures pénales (délais de procédure, coûts, nombre des litiges dans le pays etc.).

Avec la nouvelle procédure pénale en vigueur on offre une sorte d'abréviation des procès en termes de temps et qui peut finir par un accord de conciliation entre les parties concernées ou une procédure abrégé qui aboutit à la fin ou produit la cessation du procès pénal. Il existe plusieurs moyens pour mettre fin au procès qui n'existaient pas avant et on devait attendre patiemment que la sentence définitive soit prononcée.

Il existe à ce jour très peu de sentences définitives prononcées, dont on a fait appel et dans la plupart des cas on aboutit à un accord de conciliation ou à une procédure abrégée.

2.8 *D'autre part, les Groupes sont également invités à décrire le rôle des experts techniques dans cette procédure pénale.*

Et notamment d'indiquer si les opinions des experts techniques peuvent être utilisées pour démontrer que la validité d'un droit n'est pas évidente et que ce doute doit être pris en compte pour apprécier l'élément intentionnel du délit pénal.

Rôle des consultants techniques et des experts

Dans le procès pénal il est important l'expertise afin de déterminer s'il s'agit d'un produit légitime ou frauduleux. La détermination de l'existence de l'intention d'infraction n'est pas sujette à ce rapport, lequel le Juge devra établir conformément aux présomptions et des indices. Il est important de signaler que lors l'expertise les produits en infraction pourront être détruits sans nécessité d'attendre qu'une sentence soit prononcée dans le cas de falsification de marques. Dans les procès civils il est aussi important le travail des consultants et des experts mais il faut attendre que la sentence définitive soit prononcée et qu'elle soit ferme et qu'elle ne soit pas objet d'appel.

Dans les cas d'infraction vers les droits d'auteur la destruction sera ordonnée dans la sentence et elle sera exécutée lorsque la sentence sera ferme et sans possibilité de faire appel.

Le Code d'Instruction Pénal contemple également la figure du consultant Technique dans son article 111 dans les termes qui suivent: Lorsqu'une des parties concernées considère nécessaire la présence d'un consultant dans une science, un art ou une technique, il sera désigné par le Juge selon les règles applicables aux experts, en ce qui est pertinent, sans avoir tel caractère.

Le Consultant technique pourra être présent pendant les opérations d'expertise, faire leurs observations sans expertiser et il laissera un témoignage de ses observations. Dans les audiences il pourra accompagner la partie avec laquelle il collabore, l'aider dans les actes propres de sa fonction, interroger directement les experts et conclure sur la preuve d'expertise, sous la direction de la partie avec laquelle il collabore.

Le Ministère Public désignera ses Consultants techniques directement, sans avoir besoin d'une désignation judiciaire.

Les experts sont généralement accompagnés du Procureur au moment de réaliser une intervention ou un séquestre des produits pour déterminer la légitimité ou non des produits affectés, cependant son rapport n'a pas la force suffisante pour détruire ces produits. Ce rapport doit être toujours ratifié par un expert.

2.9 *Enfin, les Groupes sont invités à faire connaître leur opinion générale sur des sanctions pénales pour les actes de violation des droits de propriété intellectuelle.*

Evidemment les sanctions peu élevées des droits ne réussissent pas à mettre opposition aux transgresseurs. On doit établir des peines plus élevées qui ne doivent pas être exemptes ou remplaçables et en plus des contraventions qui signifient un préjudice économique important, l'application hybride du Code Pénal et les lois spéciales empêchent l'application correcte et provoque une disparité de critères judiciaires la plupart des fois contradictoires entre eux.

La nécessité de la réforme du Code Pénal s'impose afin d'essayer d'harmoniser ses dispositions avec celles qui sont insérés dans les lois spéciales, ou bien d'insérer celles-ci directement dans le Code Pénal.

3. Les propositions de solutions pour l'avenir

Sur la base de l'évaluation du système légal existant dans leur pays, les Groupes sont invités à formuler des propositions pour l'avenir qui pourraient faire l'objet d'une harmonisation au niveau international.

3.1 *Les Groupes doivent s'exprimer sur l'opportunité de soumettre aux sanctions pénales l'atteinte à tous les droits de propriété intellectuelle: les sanctions doivent-elle être élargies à tous les droits de propriété intellectuelle, y compris les brevets d'invention?*

Nous considérons que les peines privatives de liberté doivent être unifiées dans tous les cas d'infraction d'un droit intellectuel, soit par rapport au droit d'auteur, soit par rapport aux marques du titulaires d'un nom commercial, soit par rapport aux dessins ou des modèles industriels et du Brevet.

3.2 *Les Groupes sont invités à formuler des observations sur l'existence de l'élément intentionnel comme condition de la responsabilité pénale des auteurs des actes de violation des droits de propriété intellectuelle.*

Je considère opportun que l'on supprime dans le cas d'infraction d'un droit intellectuel la condition qu'un élément intentionnel doit intervenir pour faire l'objet d'une sanction pénale. La violation de ce droit avec ou sans intention criminelle doit être passible d'une peine afin de mettre opposition à la propagation des produits en infraction sous prétexte d'être en possession honnête ou de détenir avec des finalités non commerciales. Par ailleurs cet acte libère les Juges d'appliquer et d'interpréter discrètement chaque cas d'infraction sujet à des éléments subjectifs difficiles d'être prouvés comme l'élément psychologique de toute intention.

- 3.3 *Le Juge Pénal doit-il statuer également sur la validité d'un droit de propriété intellectuelle dont la violation est reprochée dans le cadre d'une procédure pénale, ou doit-il laisser la question de l'appréciation de la validité d'un tel droit à la compétence du Juge Civil ou de l'Office des brevets, et surseoir par conséquent à statuer dans la procédure pénale en attendant que l'autorité compétente ait statué sur la validité du titre invoqué dans l'instance pénale?*

Le Juge pénal ne peut pas au sein d'un procès pénal infirmer un droit enregistré. Il ne peut pas annuler un enregistrement de marque ni annuler un brevet, comme il ne pourrait pas non plus annuler un titre de propriété d'un immeuble ou d'un véhicule. L'annulation d'un acte judiciaire enregistré constitue une puissance exclusive des juges civils, il s'agit d'un droit constitué et enregistré qui dépasse la compétence des juges pénaux qui doivent se limiter à imposer des peines, des contraventions et réparer les préjudices. Il ne peut pas annuler les droits de la propriété qui concerne les juges de toute juridiction civile et commerciale.

L'affecté peut demander la cessation de la condamnation jusqu'à ce que l'autorité civile se prononce sur la validité ou invalidité du titre qui lui est opposé dans la juridiction pénale, puisque l'inexistence du droit dont la lésion est invoquée par l'accusateur ferait l'objet à des condamnations très injustes.

- 3.4 *Les Groupes doivent enfin répondre à la question de savoir si la victime de contrefaçon doit être maître de l'action pénale, c'est à dire l'introduire et y mettre fin, notamment par transaction?*

Conformément à notre système pénal, la victime de la falsification ne doit pas nécessairement commencer le procès. Lorsqu'il s'agit des délits d'action pénale publique le Ministère Public peut agir d'office ou à "demande de partie". Il peut prendre le rôle de plaignant adhésif ce qui est toujours conseillé pour avoir une certaine participation et un certain contrôle sur les actes de l'appareil judiciaire, apporter des preuves et s'assurer que les marchandises en infraction soient sûres et hors du circuit commercial en plus de demander la réparation des préjudices au Juge Pénal, et célébrer les accords avec les transgresseurs et demander son exécution en cas de non-exécution.

La victime de la contrefaçon doit-elle pouvoir utiliser, notamment dans le cadre des procédures civiles, les pièces de la procédure pénale et en particulier les preuves de la contrefaçon reprochée?

Oui, elle peut s'en servir dans le cadre d'un procès civil, pourvu que les parties soient les mêmes et que les documents n'aient pas été contestés par la partie à laquelle on prétend les opposer.

4. Divers

Les Groupes sont invités à faire part de tous les autres aspects de la question qui pourraient résulter de l'examen des questions ci-dessus qui ne seraient pas expressément mentionnés dans l'orientation de travail.

En effet, compte tenu du caractère pionnier de la question, l'AIPPI souhaite bénéficier de l'expérience des Groupes nationaux et régionaux, même lorsque certaines situations peuvent paraître exceptionnelles, pour éventuellement pouvoir en tirer des conséquences sur le plan international.

Note: Il serait d'une grande utilité et très apprécié que les Groupes continuent l'ordre des questions dans leurs rapports et qu'ils citent les questions et les nombres.

- a) Nécessité d'imposer des peines privatives de la liberté plus sévères aussi bien que des sanctions d'ordre économique plus ample pour mettre opposition aux transgresseurs s'impose, sans préjudice de la confiscation et de la destruction des marchandises qui doit être faite dans tous les cas avant de prononcer une sentence définitive.

- b) Unifier les peines et les contraventions pour tous les cas d'infraction d'un droit intellectuel, comme aussi pour les cas d'infraction à copyright, des brevets, des marques, des noms commerciaux, des dessins, des modèles industriels. Harmoniser ces dispositions et les inclure dans le Code Pénal en tant que délits d'action pénale publique. Dans ce sens il faut signaler que les délits contre la propriété intellectuelle ont été classés dans un groupe d'action pénale publique par une Loi de Transition qui sera en vigueur jusqu'à l'an 2003.

- c) Supprimer dans tous les cas l'élément subjectif de l'intentionnalité comme condition pour l'imputabilité du transgresseur comme aussi la figure du possesseur à conscience ou sans des finalités commerciales. On pourrait établir une peine atténuée pour le transgresseur primaire. Le fait de démunir de cet élément psychologique permet aux Juges de prononcer une sentence condamnatoire dans la plupart des cas et limitera son pouvoir discrétionnaire. La seule preuve de la possession ou de l'existence du produit en infraction ou le fait d'avoir été commis, constituera une preuve suffisante pour être passible d'une sanction pénale, soit que l'acte ait été commis avec une intention frauduleuse ou de dol ou simplement par culpabilité. Exercer l'action pénale est plus effective mais moins onéreuse que l'action civile, elle doit pour autant étendre son territoire d'application afin de réprimer et d'attaquer ce fléau.

Report Q169

in the name of the Portuguese Group
by Nuno CRUZ

Criminal law sanctions with regard to the infringement of intellectual property rights

1. Introduction

Under the Portuguese legal system, the legal provisions relating to most Industrial Property Rights are condensed into a single law, called the "**Código da Propriedade Industrial**" (the "**Industrial Property Code**").

This system of grouping together all the Industrial Property legislation into a single law has been in force in Portugal since the end of the 19th century, with a law approved in 1894, which was substituted in 1940 by the first law formally classed as a "Code", the **Industrial Property Code of 1940**. This Code of 1940 was substituted in 1995 by the law which is currently in force, the **Industrial Property Code of 1995**. A revision of the Code of 1995 is already under way and a new Code is expected to be approved in **2002**.

The Industrial Property Code contains the regulations governing the various **Industrial Property Rights**, namely **Patents, Utility Models, Industrial Models and Designs, Trademarks, Awards, Names and Insignias of Establishment, Logos, Appellations of Origin and Geographical Indications**, as well as **Unfair Competition. Topographies for Semiconductor Products** are still governed by a separate law dated 1989, which as regards many aspects stipulates the application by reference of the Industrial Property Code (these rights will be included in the new Industrial Property Code), whereas **Company Names** are and will continue to be governed by a separate law.

As well as governing Industrial Property rights, the Industrial Property Code also contains the main legal provisions relating to the **enforcement** of these rights, including **criminal law sanctions**. The *general rules* of the Civil substantive and procedural laws (the **Civil Code** and the **Civil Procedural Code**), as well as those of the Criminal substantive and procedural laws (the **Penal Code** and the **Penal Procedural Code**), are also subsidiarily applicable to the enforcement of Industrial Property rights. Also subsidiarily applicable are a few provisions of a law which specifically governs **Anti-Economic and Public Health Infringements**, which has been in force since 1984.

As far as **Copyright** is concerned, this is also governed by a single law, called the "**Código do Direito de Autor e dos Direitos Conexos**" (the "**Copyright and Neighbouring Rights Code**"). This Code also contains the provisions which are specially applicable to the enforcement of Copyrights, including **criminal law sanctions**, and the *general rules* of the Civil and Criminal laws (both substantive and procedural) are also subsidiarily applicable.

2. Substantive Law

2.1 **Criminal sanctions**, as regards both Industrial Property rights and Copyrights, already existed within Portuguese law long before the TRIPS Treaty. In particular, as far as Industrial Property is concerned, the criminal sanctions provided for in the current Code of 1995 are basically the same system of rules as contained in the previous Code of 1940.

Thus, it cannot really be said that article 61 of the TRIPS Treaty brought about any major alterations to the existing provisions of the Portuguese laws in the respective fields. However, article 61 of the TRIPS Treaty did help to reinforce the understanding that criminal sanctions *are necessary* and that they must be sufficient to act as a **deterrent** against Intellectual Property right infringements (as opposed to another trend, which defends precisely the progressive decriminalisation of Intellectual Property right infringements).

Portuguese law in reality provides criminal sanctions for the infringement of Intellectual Property rights in general, as well as for acts of unfair competition (see reply to question 2.6).

- 2.2 At present, Portuguese law establishes different conditions of penal liability for acts of infringement of Industrial Property rights and for Copyright infringements.

Regarding **Copyrights**, the law provides for the application of penal sanctions not only for **wilful** infringements, but also for **negligent** offences.

As far as **Industrial Property rights** are concerned, the current Code of 1995, as was the case of the previous Code of 1940, only establishes penal liability for **wilful** infringements. However, the Code of 1995 introduced an *additional intentional element*, applicable to all Industrial Property infringements, consisting of the "**intention of causing damages to another or of obtaining an illegitimate benefit for oneself or a third party**".

The burden of proof of this additional intentional element lies with the accuser (see reply to question 2.7), and it must indeed be proven positively.

- 2.3 The acts of infringement which can give rise to penal liability and/or civil liability are basically *the same*. The main differences lie precisely in the fact that only **wilful** infringements can engage **penal liability**, whereas for the purpose of compensation, in principle only *objective* liability is required.

Penal liability for the infringement of Intellectual Property rights lapses after a period of **5 years**. In turn, **civil liability** lapses after a period of **3 years** counted from the date on which the injured party learnt of the existence of damages.

- 2.4 Portuguese law does indeed establish **penal liability against a legal moral person** when the infringements are committed by its bodies or representatives, in its name or in the collective interest. However, this liability is excluded when the individual which committed the infringement acted against express orders or instructions given by the competent party.

- 2.5 Portuguese law provides for the "**principle of the sufficiency of penal proceedings**", according to which in criminal proceedings *all the issues relating to the case in question are resolved*. This means that in cases of Intellectual Property right infringements, the penal Courts can and must, on principle, rule on questions such as the **validity** of the Intellectual Property rights concerned.

However, the law also establishes that if, when trying a crime, it is necessary to rule on a *non-penal* issue which cannot be suitably resolved in the criminal proceedings, this issue can be referred to the competent **Civil Court**. In practice, this is what happens in cases of criminal proceedings which involve decisions on questions such as the validity of trademarks or patents.

In cases where the question of the validity of the Intellectual Property right is referred to a civil Court, the penal Judge will *suspend* the criminal proceedings. The suspension of the criminal proceedings (and the referral of the non-penal issue to a civil Court) may be requested by the defendant or by the offended party or even by the actual Public Prosecutor.

- 2.6 The **criminal sanctions** for Industrial Property right infringements and for Copyright infringements are provided for in the Industrial Property Code and the Copyright Code re-

spectively, and they consist of the *alternative* sanctions of a **prison sentence** or a **fine** (in the case of Industrial Property rights) and the *cumulative* sanctions of a **prison sentence** and a **fine** (in the case of Copyrights). Regarding the **fin**es (in accordance with the general rules of our Penal Code), they are calculated “per day” and the amount payable for *each* day varies between PTE 200 (approximately 1 Euro) and PTE 100,000 (approximately 498.80 Euros).

The **penal sanctions** established for the various Intellectual Property right infringements are indicated hereunder and, regarding the fines, the amounts given are the maximum and minimum limits possible for the *maximum measure* in respect of each fine (the respective amounts are converted into Euros):

- **Copyright** infringements:
 - **Wilful** offences, a **prison sentence** of up to **3 years** and a **fine** of between 149.64 and 124,699.47 Euros;
 - **Negligent** offences, a **fine** of between 49.88 and 74,819.68 Euros;
- **Unfair competition, Patent** infringement, **Utility Model** infringement and **Industrial Model and Design** infringement:
 - **Prison sentence of up to 3 years** or a **fine** of between 359.13 and 179,567.24 Euros;
- **Trademark** infringement:
 - **Prison sentence of up to 2 years** or a **fine** of between 239.42 and 119,711.49 Euros;
- **Name and Insignia of Establishment** infringement and **Award** infringement:
 - **Prison sentence of up to 1 year** or a **fine** of between 119.71 and 59,855.75 Euros.

For cases of **Industrial Property** right infringements, Portuguese law also establishes (through the application by reference of the law governing anti-economic infringements) the accessory sanctions of the **temporary closure of a business place** (for periods of between **1 month** and **1 year**) or even the **definitive closure of a business place** (in more serious cases of a repetition of the offence where the infringer has already been sentenced to imprisonment and has had his business place temporarily closed).

The Portuguese Penal Procedural Code stipulates, as a *general rule*, that a **claim for damages** based on a crime must be filed **within the respective criminal proceedings** (this is known as the “Principle of Adhesion”). However, under certain circumstances, a claim for damages can be filed *separately* at the competent civil Court.

- 2.7 Infringements of both Industrial Property rights and Copyrights are classed under current Portuguese law as “**public crimes**”. This means not only that the authorities (e.g. the several Police bodies and the Customs) are legally *obliged to report* these infringements, but also that *any person* (i.e. even if they are not the victim) can report them to the police or judicial authorities.

Portuguese law makes a technical distinction between a **denunciation** (which, as mentioned above, can be made by *any person* in cases of “public crimes”) and a **complaint**, which can only be lodged by the **offended party** or by a legal successor thereof.

In all cases, Portuguese criminal procedural law confers on the **Public Prosecutor** *exclusive* competence to institute criminal proceedings, even in cases where they start with a complaint lodged by the offended party. In criminal proceedings, the offended parties (e.g.

the Industrial Property right owners) can intervene as **Private Prosecutors**, but with a secondary role in relation to the role of the Public Prosecutor, who is responsible for conducting the proceedings during the initial phase.

One characteristic of “public crimes” is that it is *not* possible to **withdraw** from the respective proceedings (i.e. the proceedings will take their course until completion, irrespective of the wishes of the actual offended party). For this reason, it is not currently possible to settle these criminal proceedings by an agreement.

The draft of the new Industrial Property Code (which should be approved and come into force in 2002) introduces the alteration of these infringements to “**semi-public crimes**”. This will mean that criminal proceedings involving Industrial Property right infringements will necessarily depend on a **complaint** lodged by the offended party, who will also be permitted to *withdraw* from the proceedings.

- 2.8 In criminal proceedings involving counterfeiting (in particular trademark counterfeiting), the intervention of **experts** is generally considered to be indispensable. In these cases, the role of the experts is to examine the seized goods in order to certify whether they are original or counterfeit.

Another type of expert examination, which is of a *legal* rather than technical nature, is also frequently requested by the Public Prosecutor or by the Courts, especially in cases of trademark infringement and also industrial model and design infringements, where the allegedly infringing signs, models or designs are not identical, but rather similar, to the ones that are registered. In these expert examinations, the expert appointed (normally an examiner of the Industrial Property Office - the “I.N.P.I.”) is called upon to make a comparative analysis and give his **legal opinion** on whether the similarity is close enough for infringement to exist.

In the example given in question 2.8, this type of intervention of an expert is admissible but such a defence would perhaps be unlikely to succeed unless the validity of the infringed Industrial Property right in question were *actually challenged*, either within the actual criminal proceedings or in a separate action filed at the competent civil Court (as described in the reply to question 2.5).

- 2.9 Criminal proceedings are in Portugal a very frequent option in cases of **wilful and clear infringements** (particularly in the case of trademarks, copyrights and also designs). This is mainly due to the efficiency and speed normally guaranteed by the urgent reliefs in these proceedings.

In turn, after the urgent remedies, criminal proceedings tend to be too slow and even the criminal sanctions have rarely been applied by the Courts in effective terms (for various reasons, which it would perhaps not be appropriate to discuss within the framework of this report).

The interest of criminal sanctions for Intellectual Property right infringements is in itself a rather controversial subject, which does not meet with the consensus of all the interested circles.

In any case, it can be said that most of the members of the Portuguese Group probably consider that such penal sanctions are necessary. Sanctions of this nature are probably the **only deterrent** for a certain type of infringer, without sufficient assets (at least in his own name) to bear purely pecuniary sanctions or even indemnification or, on the contrary, for big companies whose large assets enable them to bear such merely pecuniary sanctions (which may even prove to be compensatory).

3. Proposals for Solutions for the Future

- 3.1 Criminal sanctions are already provided under Portuguese law for the infringement of *all* (or nearly all) Intellectual Property rights.

In terms of a future law of a possible harmonisation at international level, a unanimous position as to the option to be taken may not exist. However, for the reasons already mentioned in the reply to question 2.9, we believe that the reply to this question is also *affirmative* (despite the fact that, as regards patents in particular, according to Portuguese experience these rights are rarely enforced through criminal proceedings).

- 3.2 It could in fact be debated whether Intellectual Property right infringements should continue to be classed in legal terms under Criminal law as **wilful offences** or whether, at least under certain circumstances, **negligent actions** should also be subject to penal sanctions.

What in our opinion is totally inadequate is for the law to require not only generic **criminal malice**, but also any form of **special intentional elements**, as established under Portuguese law since 1995 (described above in the reply to question 2.2.). Experience in Portugal has shown that these specific elements mean that the application in practice of penal sanctions is not viable, with the consequent reduction of their deterrent effect.

The question to be debated is whether infringements against Intellectual Property rights should also be criminally punished as **negligent offences**.

This already happens under Portuguese law, but only in respect of **copyright infringements**. However, also within the field of Industrial Property (particularly, we believe, as far as trademarks are concerned), it would not be excessive to consider that in the modern economy companies should be required to exercise **due care** not to infringe Industrial Property rights in their activities.

- 3.3 We consider that the penal procedural system should be sufficiently *flexible* to allow the Penal Judge to also rule on **non-penal questions** which may arise in criminal proceedings (such as the **validity** of an intellectual property right), but it should also confer (on the Judge or the parties) the faculty of referring such questions to a Civil (or other) Court when it is considered that such Court would be better qualified to do so. The current Portuguese system, described in the reply to question 2.5, seems to adequately confer this flexibility.
- 3.4 In a penal system such as the Portuguese one, the possibility of the victim *withdrawing* from a criminal proceeding depends on the legal nature of the crime in question (i.e. whether it is a **public** or a **semi-public crime**).

As mentioned in the reply to point 2.7, it is expected that under the new law (2002) Industrial Property right infringements will be classed as **semi-public** crimes. One of the most notable aspects of this alteration will be precisely to make criminal proceedings *more flexible*, since the victims of counterfeiting will be able to put an end to them. However - since the proceedings will likewise only begin **upon the filing of a complaint** by the offended party - this alteration may have the possible disadvantage of discouraging the Police authorities from monitoring and seizing counterfeit products on their own initiative (when the fact is that, at least in the case of Portugal, a large part of anti-counterfeiting activity is carried out *ex officio* by the authorities).

At present in Portugal it is actually very difficult to obtain elements concerning criminal proceedings (documents or even simple information) while they are still in camera. Greater flexibility would in fact be very useful also with regard to this aspect of criminal proceedings, particularly in view of the fact that counterfeiting is a transnational phenomenon and that the information and/or documentation collected in one country by the respective Police authorities would very often serve as precious evidence for instituting legal proceedings in other countries, against cases relating to the original one.

4. Various

The Portuguese Group welcomes and congratulates the choice of this subject as a question to be debated within the AIPPI.

The discussion will probably demonstrate that the enforcement of Intellectual Property rights is still a matter with varying characteristics, sometimes of a specific nature in the different countries, and that the legal solutions and options in some countries are not necessarily the most appropriate for other countries (even within common geographical areas, such as the actual European Union). However, this study may perhaps make it possible to define at least a minimum common denominator for the existing problems and, in particular, for the most adequate solutions to deal with such problems.

Report Q169

in the name of the Korean Group
by Young-chol KIM, Yon-ho KIM, Tae-yeon CHO,
Young-mo KWON and Bummy KIM

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

2. The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights

2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

The provisions of article 61 of the TRIPS Treaty were introduced into legislation in Korea with regard to the trademarks and the copyrights.

The Korean laws also provide for penal sanctions in case of the violation of other rights of intellectual property such as patents, utility models, industrial designs, unfair competition and so on.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

And in particular, does this penal liability require a special intentional element?

Who has the burden of proof of this intentional element?

Is this special intentional element supposed or must it be proven positively?

The penal liability requires an intentional element. The Government (i.e., the public prosecutors) has the burden of proof of the intentional element. The intentional element must be proven positively except for trademark cases. In trademark cases, the intent is assumed to exist if the infringed trademark is used by the owner with signs indicating that the trademark has been registered.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

There are few differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.

In fact, the civil and penal liability may be found from the same acts of counterfeiting.

The terms of limitation of these acts for the finding of the civil liability or the penal liability are not identical. The civil liability accrues only if the action is commenced within ten years from the date of infringement. However, if the victim of infringement discovers the infringement and becomes aware of the damage and infringer, the term of limitation becomes three years from the date of such discovery.

In criminal proceedings, the maximum term of limitation is five years from the date of infringement.

- 2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

The Korean laws provide for the penal liability against a legal entity as well as a natural person for acts of counterfeiting.

- 2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

The penal court which rules on the penal liability for an act of counterfeiting does not have the capacity to rule on the question of the validity of an intellectual property right. This determination is made only by an Intellectual Property Tribunal of the Korean Intellectual Property Office. The defendant to criminal proceedings for counterfeiting may request a stay of the proceedings until the Intellectual Property Tribunal's determination on the validity of the relevant intellectual property right.

- 2.6 *The group must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

- 2.6.1 The sanctions envisaged by the Korean penal legislation for acts of infringement of intellectual property rights are as follows.

2.6.1.1 The Patent Act

Article 225 - Offence of Infringement

(1) Any person who infringes a patent right or exclusive license right shall be liable to imprisonment with labor not exceeding seven years or to a fine not exceeding 100 million won.

(2) Prosecution for offences under paragraph (1) shall be initiated upon filing of a complaint by an injured party.

Article 226 - Offence of Perjury

(1) Where a witness, expert witness or interpreter, having taken an oath under the law, has made a false statement or given a false expert opinion or interpreted falsely before the Intellectual Property Tribunal, he shall be liable to imprisonment with labor not exceeding five years or to a fine not exceeding 10 million won.

(2) Any person who has committed an offence under paragraph (1) who confesses it, before the examiner's decision to an opposition or a trial decision becomes final and conclusive may be partially or totally exempted from the application of the sentence.

Article 227 - Offence of False Marking

Any person who violates the provisions of Article 224 shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

[Note: Article 224 - Prohibition of False Indication]

No person shall be allowed to perform any of the following acts:

- (i) marking with an indication of a patent having been granted or patent application having been filed, or any sign likely to cause confusion therewith, on an article for which a patent has not been granted, a patent application is not pending, or upon an article manufactured by a process for which a patent has not been granted or a patent application is not pending, or a container or package thereof;
- (ii) assigning, leasing or displaying an article which has been marked with an indication referred to in subparagraph (i);
- (iii) for the purpose of manufacture, use, assignment or lease of an article referred to in subparagraph (i), marking with an indication upon advertisements, signboards or tags that a patent has been granted, a patent application had been filed for it, that it has been produced by a process for which a patent has been granted, a patent application is pending, or marking with any sign likely to cause confusion therewith; or
- (iv) for the purpose of use, assignment or lease of a process for which a patent has not been granted or a patent application is not pending, marking with an indication, on advertisements, signboards or tags, that a patent has been granted, a patent application had been filed for the process, or marking with any sign likely to cause confusion therewith.

Article 228 - Offence of Fraud

Any person who has obtained a patent, a decision on an opposition to the grant of a patent, the registration of an extension of the patent term, or a trial decision by means of a fraudulent or any other unjust act shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

Article 229 - Offence of Divulging Secrets

Where any present or former official of the Korean Intellectual Property Office or the Intellectual Property Tribunal has divulged or appropriated an invention disclosed in a pending application to which he had access during the course of his duties, such official shall be liable to imprisonment with labor not exceeding two years or to a fine not exceeding 3 million won.

Article 229bis - Officers and Employees of Special Searching Agency as Public Officials; Irrebuttable Presumption

A person who is or was an officer or employee of any special searching agency or patent documents computerizing agency shall be deemed to be one who is or was an employee of the Korean Intellectual Property Office for purposes of applying Article 229.

Article 230 - Dual Liability

Where a representative of a legal entity or an agent, employee or any other servant of a legal or natural person has committed an act in violation of Articles 225(1), 227 or 228 with regard to the business of the legal or natural person, the legal person, in addition to the offender, shall be liable to a fine as prescribed in one of the following subparagraphs; the natural person shall be liable to a fine prescribed under the pertinent Article:

- (i) in the case of Article 225(1): fine not exceeding 300 million won;
- (ii) in the case of Article 227 or 228: fine not exceeding 60 million won.

Article 231 - Confiscation, etc.

- (1) Any article that is the subject of an infringing act under Article 225(1), or any article arising out of such act, shall be confiscated or, upon request of the injured party, a judgment shall be rendered to the effect that such article shall be delivered to the injured party.
- (2) Where the article is delivered up to the injured party under paragraph (1), that person may claim compensation of damages in excess of the value of the article.

Article 232 - Administrative Fine

- (1) Any Person who has committed an act in violation of any act of the following subparagraphs shall be liable to an administrative fine not exceeding 500,000 won under the following circumstances:
 - (i) where a person who has taken an oath under Article 271(2) or 339 of the Code of Civil Procedure has made a false statement before the Intellectual Property Tribunal;
 - (ii) where a person was ordered by the Intellectual Property Tribunal to submit or show documents or other things with respect to taking evidence or to the preservation of evidence, and has failed to comply with the order without justifiable reasons;
 - (iii) where a person has failed to comply with an order to report under Article 125 on matters relating to the working of a patented invention without justifiable reasons; or

[Note: Article 125 - Report on Working of Patent]

The Commissioner of the Korean Intellectual Property Office may require a patentee, exclusive licensee or non-exclusive licensee to report as to whether the patented invention has been worked or not, the extent of such working, etc.

- (iv) where a person was summoned by the Intellectual Property Tribunal as a witness, expert witness or interpreter and has failed to comply with the subpoena, or has refused to take an oath, to make a statement, to testify, to give an expert opinion or to interpret, without justifiable reasons.
- (2) The administrative fine referred to in paragraph (1) shall be imposed and collected by the Commissioner of the Korean Intellectual Property Office as prescribed by Presidential Decree.
- (3) Any person who objects to the imposition of an administrative fine under paragraph (2) may lodge a protest to the Commissioner of the Korean Intellectual Property Office within thirty days from the date of notification of the imposition.
- (4) The Commissioner of the Korean Intellectual Property Office shall, upon receipt of a protest under paragraph (3), notify the competent court without delay, which shall adjudicate the case of the administrative fine according to the provisions of the Law on Procedure for Non-Litigation Cases.
- (5) Where no objection has been raised within the period prescribed in paragraph (3) and where the fine has not been paid, the Commissioner of the Korean Intellectual Property Office shall collect it in accordance with the rules concerning collection of national taxes in arrears through the head of the competent tax office.

2.6.1.2 The Seed Industry Act

Article 169 - Offence of Infringement

- (1) Any person falling under any of the following subparagraphs shall be punished by imprisonment for not more than five (5) years or a fine not exceeding thirty million (30,000,000) won:

1. A person who infringes on a variety protection right or an exclusive license thereof;
2. A person who infringes on a right under Article 39 (1): *Provided*, That this provision shall apply only where the establishment of a variety protection right has been registered; and
3. A person who has obtained a variety protection ruling or an adjudication decision through a fraudulent act or unlawful method.

(2) Prosecution for offences under paragraph (1) 1 and 2 shall be initiated upon filing of a complaint by an injured party.

Article 170 - Offence of Perjury

(1) Where a witness, an expert witness or an interpreter, having taken an oath under Article 154 or 157 of the Patent Act which is applied in accordance with Article 100 of this Act, has made a false statement or given a false expert opinion or interpreted falsely before the Examination Committee, he or she shall be punished by imprisonment for not more than five (5) years, or a fine not exceeding ten million (10,000,000) won. *"Amended by Act No. 5668, Jan. 21, 1999"*

(2) Any person, who has committed an offence under paragraph (1), but admits it before the examiner's decision is rendered or before an adjudication decision on the case becomes final and conclusive, may be partially or entirely exempted from the application of the sentence.

Article 171 - Offence of False Marking

Any person who has violated Article 90 shall be punished by imprisonment for not more than three (3) years or a fine not exceeding twenty million (20,000,000) won.

Article 172 - Offence of Divulging Secrets

Where any present or former employee of the Ministry of Agriculture and Forestry (where its authority is delegated to an agency under Article 166, including any present or former employee of such agency) or the Examination Committee has divulged or appropriated a variety of which application for variety protection is pending and to which he had access in the course of his duties, he shall be punished by imprisonment for not more than two (2) years or a fine not exceeding five million (5,000,000) won. *"Amended by Act No. 5153, Aug. 8, 1996, Jan. 21, 1999"*

Article 173 - Offence of Non-Registration of Seed Farming

Any person falling under any of the following subparagraphs shall be punished by imprisonment for not more than one (1) year or a fine not exceeding ten million (10,000,000) won: *"Amended by Act No. 5153, Aug. 8, 1996: Act No. 5668, Jan. 21, 1999"*

1. A person who has sold, distributed, imported, or exported a seed through appropriation of a variety denomination of another person's variety other than the protected variety in violation of Article 112 (1);
2. Deleted; *"by Act No. 5668, Jan. 21, 1999"*
3. A seed quality manager who has falsely issued a certification prescribed in Article 133;
4. A person who has practiced the seed farming without registration thereof in violation of Article 137 (1);
5. A person who has sold or distributed a crop seed in violation of Article 138 (3);
6. A person who has produced or imported and sold a seed of a variety without report thereof in violation of Article 138 (3);
7. A person who has continued to practice seed farming of which registration had been cancelled or who has continued to practice seed farming after having been ordered to suspend the business, in violation of Article 139 (1);
8. A person who has exported or imported seeds or distributed the imported seeds in violation of Article 140(3);
9. Deleted; *"by Act No. 5668, Jan. 21, 1999"*

10. A person who has imported a seed without having the imported seed be subject to an adaptability test of imported seeds in violation of Article 141 (1); and
11. A person who has produced or sold seeds of which production or sale had been ordered to be stopped, in violation of Article 145 (2).

Article 174 - Dual Liability

Where a representative of a legal entity, or an agent, an employee, or other worker of a legal entity or natural person has committed an act in violation of Article 169 (1), 171 or 173 with regard to the business of the legal entity or the natural person, the penalty of fine as prescribed in each corresponding article shall also be imposed on the legal entity or the natural person, in addition to the punishment of the offender.

Article 175 - Confiscation

(1) The Court shall confiscate, or sentence to deliver to the injured party upon request of the injured party, any article which is the subject of an act falling under Article 169 (1) 1 or 2, or any article which is produced by such act.

(2) Where the article is delivered to the injured party under paragraph (1), he may claim compensation for damages only to the extent of the amount of loss exceeding the value of the article.

Article 176 - Administrative Fine

(1) Any person falling under any of the following subparagraphs shall be punished by a fine for negligence not exceeding five million (5,000,000) won: *"Amended by Act No. 5668, Jan. 21, 1999"*

1. A person who has sold or distributed a seed by using a variety denomination which had not been registered in violation of Article 112(2); *"Amended by Act No. 6383, Jan. 22, 2001"*
2. through 6. Deleted; *"by Act No. 5668, Jan. 21, 1999"*
7. A person who has exported or imported seeds without reporting, in violation of the main provision of Article 140 (1);
8. Deleted; *"by Act No. 5668, Jan. 21, 1999"*
9. A person who has sold or distributed seeds without indicating quality of the distributed seed, in violation of Article 143;
10. A person who has refused, hindered, or evaded the inspection or collection prescribed in Article 145 (1); and
11. Deleted. *"by Act No. 5668, Jan. 21, 1999"*

(2) Any person falling under any of the following subparagraphs shall be punished by a fine for negligence not exceeding five hundred thousand (500,000) won: *"Amended by Act No. 5153, Aug. 8, 1996"*

1. An interested party, or his legal representative, who has taken an oath under Article 271 of the Civil Procedure Act which is applicable under Article 48 (2) and has made a false statement before the Ministry of Agriculture and Forestry;
2. A person who has failed to report the inheritance of a variety protection right, an exclusive license, or a pledge, or other general successions in violation of Article 63 (2);
3. A person who has failed to comply with an order to report exploitation as prescribed in Article 82;
4. A person other than a witness, expert witness, or interpreter, who has taken an oath under Article 154 (8) which is applicable under Article 100, and has made a false statement before the Examination Committee;
5. A person who has failed without any justifiable reason to comply with an order of the Examination Committee to submit or present the documents or article relating to evidence investigation or evidence preservation as prescribed in Article 157 of the Patent Act which is applicable under Article 100; and

6. A person, who has been summoned by the Examination Committee as a witness, expert witness, or interpreter under Article 154 or 157 of the Patent Act which is applicable under Article 100, and has failed to comply with the subpoena, or has refused to take an oath, make a statement, testify, given an expert opinion, or interpret without any justifiable reason.

(3) The fine for negligence prescribed in paragraph (1) or (2) shall be imposed and collected by the Minister of Agriculture and Forestry or the Mayor/Do governor (hereinafter referred to as an "imponent") and prescribed by the Presidential Decree. *"Amended by Act No. 5153, Aug. 8, 1996; Act No. 5668, Jan. 21, 1999"*

(4) Any person who objects to the imposition of an administrative fine under paragraph (3) may file an objection with the imponent within thirty (30) days from the date of notification of the imposition.

(5) The imponent shall, upon receipt of an objection filed by a person under paragraph (4) who has been disposed of an administrative fine under paragraph (3), notify the objection without delay to the competent court, which shall adjudicate upon the case in accordance with the provisions of the Non-Contentious Case Litigation Procedure Act.

(6) Where no opposition has been filed within the period prescribed in paragraph (4) and the fine has not been paid, the fine shall be collected pursuant to the procedures applicable to of the disposition of national taxes in arrears.

2.6.1.4 The Utility Model Act

Article 78 - Offence of Infringement

(1) Any person who infringes a utility model right or exclusive license right shall be liable to imprisonment with labor not exceeding seven years or to a fine not exceeding 100 million won.

(2) Prosecution for offences under paragraph (1) shall be initiated upon the filing of a complaint by an injured party.

Article 79 - Offence of Perjury

(1) Where a witness, expert witness or interpreter, having taken an oath under the this Law, has made a false statement or given a false expert opinion or interpreted falsely before the Industrial Property Tribunal, he/she shall be liable to imprisonment with labor not exceeding five years, or a fine not exceeding 10 million won.

(2) Any person having committed an offence under paragraph (1) who admits such offence before the decision of an opposition or a trial decision relating to the utility model registration becomes final and conclusive, may be partially or totally exempted from the application of the sentence.

Article 80 - Offence of False Marking

Any person who violates the provisions of Article 76 of this Law shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

Article 81 - Offence of Fraud

Any person who has obtained a utility model registration, a decision on a technical evaluation, or an official or a trial decision in an opposition to a utility model registration, by means of fraudulent or other unjust acts, shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

Article 82 - Offence of Divulging Secrets

Where any present or former official of the Korean Intellectual Property Office has disclosed or appropriated a device disclosed in a pending utility model application to which he had

access to during the course of his duties, he shall be liable to imprisonment with labor for a period not to exceed two years or to a fine not to exceed 3 million won.

Article 83 - Officers and Employees of Specialized Search Organization etc. as Public Officials; Irrefutable Presumption

A person who is or was an officer or employee of a specialized search organization, or any computerized patent document processing agency pursuant to Article 217*bis* of the Patent Law as applied *mutatis mutandis* under Article 77 of this Law, shall be deemed to be a present or former official of the Korean Intellectual Property Office for purposes of applying Article 82 of this Law.

Article 84 - Dual Liability

Where a representative of a legal entity or an agent, employee or other servant of a legal entity or natural person, has committed an act in violation of Article 78(1), 80 or 81 with regard to the business of the legal or natural person, the legal person shall be subject to the fine of the following paragraphs and the natural person shall be subject to the fine prescribed in said Articles.

- (i) In case of Article 78(1): a fine not to exceed 300 million won;
- (ii) In case of Article 80 or 81: a fine not to exceed 60 million won.

Article 85 - Confiscation, etc.

(1) Any goods that are the subject of an act of infringement under Article 78(1) or any goods arising out of such act infringement shall be confiscated or, upon request of the injured party, a judgment shall be rendered to the effect that such goods shall be delivered to the injured party.

(2) Where goods are delivered to the injured party under paragraph (1), the injured party may claim compensation of damages in excess of the value of such goods.

Article 86 - Administrative Fine

(1) Any person who has committed an act that falls under any of the following subparagraphs shall be liable to an administrative fine not exceeding 500,000 won:

- (i) where a person who has taken an oath under Articles 271(2) and 339 of the Code of Civil Procedure has made a false statement before the Industrial Property Tribunal;
- (ii) where a person was ordered by the Industrial Property Tribunal to submit or present documents or other materials for taking or the preservation of evidence, and has failed to comply with the order without justifiable reason;
- (iii) where a person has failed to comply with an order to report under Article 125 of the Patent Law as applied *mutatis mutandis* under Article 42 of this Law, on matters relating to the working of a registered utility model, without justifiable reasons; or
- (iv) where a person was summoned by the Industrial Property Tribunal as a witness, an expert witness or an interpreter and has failed to comply with the subpoena, or has refused to take an oath, to make a statement, to testify, to give an expert opinion or to interpret, without justifiable reasons.

(2) The administrative fine referred to in paragraph (1) shall be imposed and collected by the Commissioner of the Korean Intellectual Property Office as prescribed by Presidential Decree.

(3) Any person who objects to the imposition of an administrative fine under paragraph (2) may make a protest to the Commissioner of the Korean Intellectual Property Office within thirty days from the date of notification of the imposition.

(4) The Commissioner of the Korean Intellectual Property Office, upon receipt of a protest under paragraph (3), shall notify, without delay, a court of competent jurisdiction which

shall adjudicate the administrative fine case according to the provisions of the Law on Non-Litigation Non-Contentious Procedures.

(5) Where no objection has been raised within the period prescribed in paragraph (3) and where the fine has not been paid, the Commissioner of the Korean Intellectual Property Office shall make collection thereof in accordance with rules on the collection of national taxes in arrears through the head of a competent tax office.

2.6.1.5 The Design Act

Article 82 - Offence of Infringement

(1) Any person who has infringed a design right or an exclusive license right shall be liable to imprisonment with labor not exceeding seven years or to a fine not exceeding 100 million won.

(2) Prosecution for offences under paragraph (1) shall be initiated upon filing of a complaint by an injured party.

Article 83 - Offence of Perjury

(1) Where a witness, expert witness or interpreter, having taken an oath under the law, has made a false statement or given a false expert opinion or interpreted falsely before the Intellectual Property Tribunal, he shall be liable to imprisonment with labor not exceeding five years or to a fine not exceeding 10 million Won.

(2) Any person having committed an offence under paragraph (1) who admits it prior to the examiner's decision or decision on opposition to registration of an unexamined design is rendered or before a trial decision on the case becomes final and conclusive may be partially or completely exempted from the penalty.

Article 84 - Offence of False Marking

Any person who has violated Article 80 shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

Article 85 - Offence of Fraud

Any person who has obtained design registration or a trial decision by means of fraud or any other unjustified act shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

Article 86 - Offence of Divulging Secrets

Where any present or former official of the Korean Intellectual Property Office or the Intellectual Property Tribunal has divulged or appropriated secrets relating to a design contained in a design application, or which is requested to be kept secret under Article 13(1) to which he had access during the course of his duties, he shall be liable to imprisonment with labor not exceeding two years or to a fine not exceeding 3 million won.

Article 87 - Dual Liability

Where a representative of a legal entity or an agent, employee or any other servant of a legal entity or natural person has committed an act in violation of Articles 82(1), 84 or 85 with regard to the business of the legal entity or natural person, in addition to the offender, the legal entity shall be sentenced to fine which falls any of the following subparagraphs and the natural person shall be sentenced to the fine provided for in the relevant Article.

- (i) Article 82(1): a fine not exceeding 300 million won; or
- (ii) Article 84 or 85: a fine not exceeding 60 million won.

Article 88 - Administrative Fine

(1) Any person who has committed an act in violation of any of the following subparagraphs shall be liable to an administrative fine not exceeding 500,000 Won:

- (i) making a false statement before the Intellectual Property Tribunal after having taken an oath under Article 271(2) or 339 of the Code of Civil Procedure
- (ii) after having been ordered by the Intellectual Property Tribunal to submit or show documents or other materials with respect to the taking of evidence or to the preservation of evidence, failure to comply with the order without justifiable reasons;
- (iii) failure to comply with an order to report under Article 60 on matters relating to the working of a registered design without justifiable reasons;
- (iv) after having been summoned by the Intellectual Property Tribunal as a witness, expert witness or interpreter, failure to comply with the subpoena, or refusal to take an oath, to make a statement, to testify, to give an expert opinion or to interpret, without justifiable reasons.

(2) The administrative fine referred to in paragraph (1) shall be imposed and collected by the Commissioner of the Korean Intellectual Property Office as prescribed by the Presidential Decree.

(3) Any person who objects to the imposition of an administrative fine under paragraph (2) may make a protest to the Commissioner of the Korean Intellectual Property Office within thirty days from the date of notification of the imposition.

(4) The Commissioner of the Korean Intellectual Property Office shall, upon receipt of a protest under paragraph (3), notify the competent court that shall adjudicate upon the case of the administrative fine according to the provisions of the Act on Non-Contentious Procedures without delay.

(5) Where no opposition has been raised within the period prescribed in paragraph (3), and where the fine has not been paid, the Commissioner of the Korean Intellectual Property Office shall collect it in accordance with the rules concerning collection of national taxes in arrears through the head of the competent tax office.

Article 89 - *Mutatis Mutandis* Application of Provisions of the Patent Law

The provisions of Article 231 of the Patent Law shall apply *mutatis mutandis* to penal provisions with respect to designs.

2.6.1.3 The Semiconductor Integrated Circuits Lay-Out Design Act

Article 45 - Offence of Infringement, etc.

(1) A person who infringes a layout-design right under Article 8 hereof or an exclusive license under Article 11 hereof shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 50,000,000 won, or both.

(2) An offence under paragraph (1) hereof shall be prosecuted only upon the filing of a complaint.

Article 46 - Offence of False Marking

A person who makes a false marking of a registration under Article 22 on a semiconductor integrated circuit containing an unregistered layout-design under Article 21 Paragraph (1) or on the packaging etc. thereof, or a person who assign or leases a semiconductor integrated circuit bearing a false marking of a registration, shall be liable to imprisonment with labor not exceeding one year or to a fine not exceeding 3,000,000 won.

[Note: Article 21 - Registration of Establishment and Public Notice]

When an application for registration of establishment is filed under Article 19, Paragraph(1), the Commissioner of the Korean Intellectual Property Office shall register the layout-design, unless the application is dismissed pursuant to Article 20, Paragraph (1).

[Note: Article 22 - Marking of Registration]

A holder of a layout-design registered under the provision of Article 21, Paragraph (1), or the exclusive licensee or non-exclusive licensee thereof, may make a marking concerning a registration of the layout-design on a semiconductor integrated circuit which was made using the layout-design and/or the packaging thereof, as provided by the Commissioner of the Korean Intellectual Property Office.

Article 47 - Offence of Fraud

A person who was granted a registration of establishment of a layout-design under Article 21, Paragraph (1) by fraud or other unjust acts shall be liable to imprisonment with labor not exceeding one year or to a fine not exceeding 3,000,000 won.

Article 48 - Offence of Divulging Secrets

A person who violates the provisions of Article 44 hereof shall liable to imprisonment with labor not exceeding two years or to a fine not exceeding 5,000,000 won.

Article 49 - Dual Liability

When a representative of a corporation, an agent representing a corporation or an individual, an employer thereof commits a violative act referred to under Article 45, Paragraph (1), Article 46 or Article 47 concerning the acts of the corporation or the individual, the corporation or the individual person shall be liable to the fine prescribed in each of the corresponding Articles hereof, and the violator shall also be punished.

2.6.1.6 The Trademark Act

Article 93 - Offence of Infringement

Any person who has infringed a trademark right or an exclusive license shall be liable to imprisonment with labor not exceeding seven years or to a fine not exceeding 100 million won.

Article 94 - Offence of Perjury

(1) Where a witness, expert witness, or interpreter, having taken an oath under law, made a false statement or given a false expert opinion or interpreted falsely before the Intellectual Property Tribunal, such person shall be liable to imprisonment with labor not exceeding five years or to a fine not exceeding 10 million won.

(2) Any person having committed an offence under paragraph (1) of this Article who reveals the offence prior to the conclusion of the examination of the case, prior to the examiner's decision to grant or refuse a trademark registration being rendered or prior to a trial decision on the case becoming final and conclusive may be partially or totally exempted from the application of the penalty.

Article 95 - Offence of False Marking

Any person who has violated Article 91 shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

[Note: Article 91 - Prohibition of False Indication]

- (1) No person shall be allowed to perform any of the following acts:
- (i) indicating a trademark which is not registered or applied for a trademark registration, on goods as if it was a registered trademark or its registration was applied for;

- (ii) indicating a trademark which is not registered or applied for a trademark registration, on advertisements, signboards, labels or packaging of goods or other business transaction documents, etc., as if it was a registered trademark or its registration was applied for; or
- (iii) marking an indication that the trademark is registered with respect to goods other than the designated goods, or which is liable to cause confusion, in case the registered trademark is used on goods other than the designated goods.

(2) Acts indicating a trademark under paragraph (1)(i) and (ii) of this Article shall include the goods and packaging, advertisement, signboards, or labels that have become shapes of marks.

Article 96 - Offence of Fraud

Any person who has obtained a trademark registration, the supplementary registration of designated goods, the registration for renewal of term of a trademark right, the registration of the reclassification of goods or a trial decision by means of a fraudulent act or any other unjustified act shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 20 million won.

Article 97 - Dual Liability

Where a representative of a legal entity or an agent, employee, or any other servant of a legal entity or natural person has committed an act in violation of Article 93, 95 or 96 with regard to the business of the legal entity or natural person, in addition to the offender, said legal entity shall be sentenced to a fine that falls any of the following subparagraphs and said natural person shall be sentenced to a fine as prescribed in the respective Articles.

- (i) Article 93: a fine not exceeding 300 million won; or
- (ii) Article 95 or 96: a fine not exceeding 60 million won.

Article 97bis - Confiscation

(1) A trademark or packaging that infringes trademark rights or exclusive use rights of another under Article 93, or obtained by such infringement actions, or machinery used for the production of goods, trademarks, or packagings shall be confiscated.

(2) Goods which may be easily detached from their trademarks or packagings for the purpose of removing the infringement and which does not effect the function and/or feature of those goods may not be confiscated, notwithstanding paragraph (1) of this Article.

Article 98 - Administrative Fine

(1) Any person who has committed an act in violation of any of the following subparagraphs shall be subject to an administrative fine not exceeding 500,000 won:

- (i) a person who has taken an oath under Article 271(2) or 339 of the Code of Civil Procedure and has made a false statement before the Intellectual Property Tribunal;
- (ii) a person who was ordered by the Intellectual Property Tribunal to submit or show documents or other materials with respect to the taking of evidence or for the preservation of evidence, but failed to comply with the order without justifiable reasons; or
- (iii) a person who was summoned by the Intellectual Property Tribunal as a witness, expert witness or interpreter but failed to comply with the subpoena or has refused to take an oath, make a statement, testify, give an expert opinion or interpret, without justifiable reasons.

(2) The administrative fine referred to in paragraph (1) of this Article shall be imposed and collected by the Commissioner of the Korean Intellectual Property Office as prescribed by the Presidential Decree.

(3) Any person who objects to the imposition of an administrative fine under paragraph (2) of this Article may make a protest to the Commissioner of the Korean Intellectual Property Office within thirty days from the date of notification of the imposition.

(4) The Commissioner of the Korean Intellectual Property Office shall, upon receipt of a protest under paragraph (3) of this Article, notify the competent court without delay, which shall then adjudicate the case of the administrative fine according to the provisions of the Law on Non-Contentious Procedures.

(5) Where no objection has been raised within the period prescribed in paragraph (3) of this Article and where the fine has not been paid, the Commissioner of the Korean Intellectual Property Office shall collect it in accordance with the rules concerning collection of national taxes in arrears through the head of the competent tax office.

2.6.1.7 Unfair Competition Prevention And Trade Secret Protection Act

Article 18 - Penal Provision

(1) A person falling under any of the following provisions shall be liable to imprisonment with labor not exceeding seven years or to a fine not exceeding 100 million won.

1. A person who, as an employee or officer of a company, uses in a foreign country or discloses to a third person knowing that this will be used in the foreign country, trade secrets regarding useful technology of the company without any justifiable reason.
2. A person who was as an employee or officer of a company and uses in a foreign country or discloses to a third person knowing that this will be used in the foreign country, trade secrets regarding useful technology of the company for the purpose of gaining improper benefits or causing damage to the company in violation of the obligation to maintain secrecy of the trade secrets under a contractual or other duty.

(2) A person falling under any of the following provisions shall be liable to imprisonment with labor not exceeding five years or to a fine not exceeding 50 million won:

1. A person who, as an employee or officer of a company, discloses trade secrets regarding useful technology of the company to a third person without any justifiable reason.
2. A person who was an employee or officer of a company and discloses trade secrets regarding useful technology of the company to a third person for the purpose of gaining improper benefits or causing damage to the company in violation of the obligation to maintain secrecy of the trade secrets under a contractual or other duty.

(3) A person falling under any of the following provisions shall be liable to imprisonment with labor not exceeding three years or to a fine not exceeding 30 million won:

- (i) A person who engages in an act of unfair competition provided under Article 2(1).
- (ii) A person who uses as a trademark a symbol that is identical or similar to the insignia or indication of the following in violation of Article 3.
 1. The national flag, national emblem or other insignia of any Contracting State to the Paris Convention or a member of the World Trade Organization.
 2. An indication of an International Organization.
 3. An indication of inspection or certification of any Contracting State to the Paris Convention, a member of the World Trade Organization or an indication of inspection or certification to Trademark Law Treaty.

(4) The punishments of imprisonment and fine as referred to in paragraphs (1) and (2) of this Article may be imposed concurrently.

(5) Prosecution for the crimes under paragraphs (1) and (2) of this Article shall be made only if the damaged person files a complaint, except when it is necessary for national security and important public welfare.

[Note: Article 2 Definitions]

The definitions of terms used in this Law shall be as follows:

(1) Acts of unfair competition shall mean any of the following acts regardless of its intention:

- (i) an act of causing confusion with another person's goods by using signs identical or similar to another person's name, trade name, trademark, container or package of goods or any other sign which is widely known in Korea as an indication of goods or by selling, distributing, importing or exporting the goods with such signs;
- (ii) an act of causing confusion with another person's commercial facilities or activities by using signs identical or similar to another person's name, trade name, emblem or any other sign which is widely known in Korea as an indication of commerce;
- (iii) In addition to the act of causing confusion provided in subparagraph (i) or (ii), an act of doing damage to distinctiveness or reputation attached to another person's sign by using the sign identical or similar to another person's name, trade name, trademark, container or package of goods, or any other sign which is widely known in Korea as an indication of goods or commerce, or by selling, distributing, importing or exporting goods with such signs, without due cause as prescribed by Presidential Decree for instance noncommercial use;
- (iv) an act of causing confusion about the source of origin by falsely marking the source of origin on the goods or in any advertisement, on the trade documents communicated to the public or in communications, or by selling, distributing, importing or exporting the goods marked with such a source of origin;
- (v) an act of making a mark on goods, advertisements, trade documents communicated to the public or in communications, or selling, distributing, importing or exporting goods marked with such mark which would mislead the public into believing that the place of production, manufacture, or processing is different from the actual place of production, manufacture or processing;
- (vi) an act of falsely assuming another person's goods, or an act of making a mark or advertising in at information useful for business activities which are not publicly known, has independent economic value, and has been maintained and managed as secrets through considerable efforts; or
- (vii) an act of using a trademark that is identical or similar to a trademark registered in any Contracting State to the Paris Convention for the Protection of Industrial Property (hereinafter referred to as the "Paris Convention") or Contracting State to the Trademark Law Treaty by a person who is or was an agent or a representative of the owner of the trademark, within one year prior to the date on which such act was carried out, selling, distributing, importing or exporting the goods with such marks without due cause.

(3) "Infringement of trade secrets" shall mean any of the followings:

- (i) acquiring trade secrets by theft, deception, coercion or other improper means (hereinafter referred to as "an act of improper acquisition"), or subsequently using or dis-

closing the improperly acquired trade secrets (including informing any specific person of the trade secret while under a duty to maintain secrecy: hereinafter, the same shall apply);

- (ii) acquiring trade secrets or using or disclosing the trade secrets so acquired with knowledge that an act of improper acquisition has occurred in connection with the trade secrets or lack of such knowledge by gross negligence;
- (iii) after acquiring trade secrets, using or disclosing the trade secrets so acquired with knowledge that an act of improper acquisition has occurred in connection with the trade secrets or lack of such knowledge by gross negligence;
- (iv) using or disclosing trade secrets for the purpose of obtaining improper benefits or to damage the owner of the trade secrets while under a contractual or other duty to maintain secrecy of the trade secrets;
- (v) acquiring trade secrets, or using or disclosing the trade secrets so acquired with knowledge that the trade secrets have been disclosed in the manner provided in subparagraph (iv) above or such disclosure has occurred in connection with the trade secrets or lack of such knowledge by gross negligence;
- (vi) after acquiring trade secrets, using or disclosing the trade secrets so acquired with knowledge that the trade secrets were disclosed in the manner provided in subparagraph (iv) above or such disclosure has occurred in connection with the trade secrets or lack of such knowledge by gross negligence.

Article 19 - Dual Liability

If a representative of a legal person or an agent, employee or any other employees of a legal or natural person commits a violation that falls under Article 18(3) in connection with the business of the legal or natural person, the penalty for fines under such subparagraphs shall be imposed on the legal or natural person, in addition to the violator.

Article 20 - Administrative Fine

- (1) A person who refuses, interferes with or evades investigation on the collection of products by a public official concerned under Article 7(1), shall be subject to an administrative fine not exceeding 20 million won.
- (2) The administrative fine referred to in paragraph (1) of this Article shall be imposed and collected by the Commissioner of the Korean Industrial Property Office as prescribed by the Presidential Decree.
- (3) Any person who objects to the imposition of an administrative fine under paragraph (2) of this Article may lodge a protest to the Commissioner of the Korean Industrial Property Office within thirty days from the date of notification of the imposition.
- (4) The Commissioner of the Korean Industrial Property office shall, upon receipt of a protest under paragraph (3) of this Article, notify a competent court without delay, which shall then adjudicate the case of the administrative fine according to the provisions of the Act on Non-Contentious Procedures.
- (5) Where no objection has been raised within the period prescribed in paragraph (3) of this Article and where the fine has not been paid, the Commissioner of the Korean Industrial Property Office shall collect it in accordance with the rules concerning collection of national taxes in arrears through the head of the competent tax office.

2.6.1.8 The Copyright Act

Article 97-5 - Crime of Infringement of Rights

Any person who has infringed the author's property right and other property rights protected under this Act by means of copy, public performance, broadcasting, exhibition, transmission, distribution and making a derivative work, shall be punishable by imprisonment for a term of not more than five years or a fine of not more than 50 million won, or shall be punishable by both imprisonment and a fine.

[This Article newly Inserted by Act No. 6134, Jan. 12, 2000]

Article 98 - Crime of infringement of Rights

Any person who has committed any act falling under any of the following subparagraphs shall be punishable by imprisonment for a term of not more than three years or a fine of not more than 30 million won, or shall be punishable by both imprisonment and a fine: *"Amended by Act No. 4717, Jan. 7, 1994; Act No. 6134, Jan. 12, 2000"*

1. Deleted; *"by act no. 6134, Jan. 12, 2000"*
2. Any person who has infringed authors' moral rights and defamed the honor of an author; and
3. Any person who has made registration by fraudulent means under Article 51 and 52 (including the application *mutatis mutandis* by Article 60 (3) or 73)

[Note: Article 51 - Registration of Copyright]

(1) An author or an owner of authors' property rights may register any of the following subparagraphs: *"Amended by Act No. 6134, Jan. 12, 2000"*

1. Name, alias (limited to the use of alias at the time of making it public) nationality, address or residence of an author or an owner of authors' property rights;
2. Title, kinds or date of creation of the works;
3. Whether works made public, and the state in and date on which the works are first made public; and
4. Other matters as prescribed by the Presidential Decree.

(2) In the absence of any special intention of the author to the contrary at his death, the person designated by his will or his heir may register the items falling under any of subparagraphs of paragraph (1). *"Amended by Act No. 6134, Jan. 12, 2000"*

(3) Deleted. *"by Act No. 6134, Jan. 12, 2000"*

(4) The person whose name is registered under paragraphs (1) and (2) as an author or an owner of authors' property rights shall be presumed to be the author or the owner of the registered work; and the work whose date of creation or the date of first made public is registered shall be presumed to have been first created or first made public on the date registered. *"Amended by Act No. 6134, Jan. 12, 2000"*

[Note: Article 52 - Registration and Effect of Changes in Rights etc.]

The following matters may be registered, and shall not be opposable to any third party without their registration: *"Amended by Act No. 6134, Jan. 12, 2000"*

1. Transfer by assignment of authors' property rights (except that by inheritance or other successions in general), or restrictions on the disposal of authors' property rights; and
2. Restriction on establishment, transfer, alteration, extinction or disposal of the pledge of which the object is authors' property rights.

[Note: Article 60 Transfer by Assignment of, and Limitations on, Right of Publication, etc.]

(3) The provisions of Articles 51 through 53 shall apply *mutatis mutandis* to the registration of the right of publication (including the registration of establishment of the right of publication). In such cases, the term “owner of the author’s property right” in Article 51 shall be considered as “owner of the right of reproduction” in Article 54 or “owner of publication right”, and “author’s property right” in Article 52 as “right of publication”, and “ Copyright Register” in Article 53 as “register of the right of publication,” respectively. *“Amended by Act No. 6134, Jan. 12, 2000”*

[Note: Article 73 - Registration of Neighboring Rights]

The provisions of Articles 51 through 53 shall apply *mutatis mutandis* to the registration of neighboring rights. In this case, the term “author” or “owner of author’s property right” in Articles 51 and 52 shall read as “owner of neighboring rights”, “works” as “stage performances”, “phonograms”, or “broadcasts”, “creation” or “making public” as “ stage performances”, “fixing in phonograms” or “broadcasts”, and “authors’ property rights” as “neighboring rights”, and “Copyright Register” in Article 53 as “register of neighboring rights.” *“Amended by Act No. 6134, Jan. 12, 2000”*

Article 99 - Illegal Publications, etc.

Any person who has committed any of the following acts shall be punishable by imprisonment for a term of not more than one year or a fine of not more than ten million won: *“Amended by Act No. 4717, Jan. 7, 1994; Act No. 6134, Jan. 12, 2000”*

1. Any person who has made a work public under the real name or alias of a person other than the author;
2. Any person who has violated the provision of Article 14 (2);
3. Any person who has operated copyright trust management business without obtaining a permit as prescribed under Article 78 (1); and
4. Any person who has committed an act considered to be an infringement under the provisions of Article 92.

[Note: Article 14 Inalienability of Authors’ Moral Rights]

(2) Even after the death of the author, no person who exploits his work shall commit an act which would be prejudicial to authors’ moral rights if he were alive: *Provided*, That such act is deemed to have not defamed the honor of the author in light of the nature and extent of the act, and in view of the prevailing social norms.

[Note: Article 78 Permission, etc., for Copyright Management Services]

(1) Any person who intends to engage in a copyright trust management business shall obtain a permission from the Minister of Culture and Tourism under the conditions as prescribed by the Presidential Decree; and a person who intend to engage in a business as an agent or broker for copyright shall report thereon to the Minister of Culture and Tourism under the conditions as prescribed by the Presidential Decree. *“Amended by Act No. 6134, Jan. 12, 2000”*

[Note: Article 92 - Act Considered to be Infringement]

(1) Any act falling under any of the following subparagraphs shall be considered to be infringement of copyright or other rights protected under this Act: *“Amended by Act No. 4717, Jan. 7, 1994; Act No. 6134, Jan. 12, 2000”*

1. The importation into the Republic of Korea, for the purpose of distribution, of objects made by an act which would be an infringement of copyright or other rights protected under this Act, if they were made within the Republic of Korea at the time of such importation; and

2. The possession for the purpose of distribution, of objects produced by an act of infringement of copyright or other rights protected under this Act (including those imported as referred to in subparagraph 1) by a person who is aware of such infringement.

Article 100 - Failure to Indicate Sources

Any person who has violated any of the following subparagraphs shall be punishable by a fine of not more than five million won: "Amended by Act No. 6134, Jan. 12, 2000"

1. Any person who has violated Article 32 (4);
- 1-2. Any person who has not indicated the sources prescribed under Article 34 (including the application *mutatis mutandis* by Article 71);
2. Any person who has not indicated the notice of the owner of the right of reproduction in violation of the provisions of Article 55 (3);
- 2-2. Any person who has violated Article 56 (2); and
3. Any person who has engaged in a copyright agency or brokerage business without reporting as prescribed under Article 78 (1), or who has continued the services after being ordered to close the services under the provision of Article 80 (2).

[This Article Wholly Amended by Act No. 4717, Jan. 7, 1994]

[Note: Article 32 - Exhibition or Reproduction of Works of Art, etc.]

- (4) A portrait or a similar photographic work produced by commission may not be used without the consent of the commissioner. "Amended by Act No. 6134, Jan. 12, 2000"

[Note: Article 34 - Indication of Sources]

- (1) A person who uses a work under this Section shall indicate its sources: Provided, That this shall not apply to the cases of Articles 24, 26 through 29, and 31. "Amended by Act No. 6134, Jan. 12, 2000"

- (2) The indication of the sources shall be made clearly in the manner and to the extent deemed reasonable by the situation in which the work is used. If the real name or alias of the author of a work is indicated, such real name or alias shall be indicated.

[Note: Article 71 - Limitations on Neighboring Rights]

The provisions of Articles 22, 23 (2), 24 through 29, 30 (2), 31, 33 and 34 shall apply *mutatis mutandis* to the exploitation of stage performances, phonograms or broadcastings which are the subject matter of neighboring rights.

[Note: Article 55 - Obligations of Owner of Right of Publication]

- (3) Unless otherwise stipulated, the owner of the right of publication has the obligation to indicate a notice of the owner of the right of reproduction in each copy as stipulated by the Presidential Decree.

[Note: Article 56 - Revision, Addition or Reduction of Work]

- (2) If the owner of the right of publication intends to republish a work which is the object his right, he shall notify the author of his intention in advance.

Article 101 - Confiscation

Reproductions made in violation of copyright or other rights protected under this Act which are owned by the infringing person, printer, distributor or public performer shall be confiscated.

Article 102 - Complaint

The crimes prescribed under this Chapter shall be persecuted only when the injured party has made a complaint except the cases prescribed under subparagraph 3 of Article 98, subparagraphs 1 through 3 of Article 99, and subparagraph 3 of Article 100. *"Amended by Act No. 4717, Jan. 7, 1994"*

Article 103 - Joint Penalties

If a representative of a juristic person, or an agent, employee or other employed persons of a juristic person or a individual has committed a crime as prescribed under this Chapter with respect to the affairs of the juristic person or the individual, the fine prescribed under the Articles concerned shall be imposed on such a juristic person or an individual in addition to the punishment of the offender.

2.6.1.9 The Computer Programs Protection Act

Article 46 - Punishment

(1) Any person who falls under any of the following subparagraphs shall be sentenced to imprisonment for not more than three years, or a fine no exceeding fifty million won, or both:

1. A person who has violated the provisions of Article 29 (1) ;
2. A person who has committed an act falling under the provisions of Article 29 (4) 1 or 2; and
3. A person who has violated the provisions of Article 30.

(2) Any person who has violated the provisions of Article 25 shall be sentenced to imprisonment for not more than two years, or a fine not exceeding twenty million won.

(3) Any person who falls under any of the following subparagraphs shall be sentenced to imprisonment for not more than one year, or a fine not exceeding ten million won:

1. A person who conducts the business of trust management of the program copyright without obtaining the designation pursuant to Article 20 (1);
2. A person who has violated Article 29 (2);
3. A person who has violated Article 29 (3);
4. A person who has committed an act falling under Article 29 (4) 3.

(4) Any person who conducts the business of acting as an agent or a broker for the program copyright without making a report pursuant to Article 20 (2) shall be sentenced to a fine not exceeding five million five million won.

[Note: Article 29 - Act of Infringement, etc. of Program Copyright]

(1) No person shall infringe upon the program copyright of another person without proper legal basis through means such as reproduction, adaptation, translation, distribution, publication and transmission.

(2) The modification or concealment of the real name or alias of the program author or the modification of the name or title of the program shall not be made without proper legal basis.

(3) The registration of program in accordance with the provision of Article 23 or the submission of the reproduction of program in accordance with the provisions of Article 24 shall not be made fraudulently.

(4) Any act falling under the following subparagraphs shall be deemed as the infringement of the applicable program copyright:

1. An act of importing a program, which infringes a program copyright, for the purpose of distribution in Korea;
2. An act of using for business purpose a reproduction of a program made in infringement of a program copyright (including the imported program under subparagraph 1) by a person who acquires such reproduction with the knowledge of such circumstances; and
3. An act of removing or modifying intentionally the copyright management information without proper legal basis or distributing the original program or its reproduction with the knowledge of such fact or importing or transmitting the original program or its reproduction for the purpose of distribution with the knowledge of such fact.

[Note: Article 30 - Restriction on Disarmament of Technical Protection Measure, etc.]

- (1) No person shall disarm technical protection measures without proper

[Note: Article 25 - Duty to Maintain Secrecy]

Any public official who is engaged in the management of the reproduction of programs presented under the provisions of Article 24, or any person who was in such position, shall not divulge to other persons secrets which he has acquired in the course of his duties

[Note: Article 20 - Designation, etc. of Program Copyright Trust Managing Agency]

(1) In order to promote the use of programs and foster the programs related industry, the Minister of Information and Communication may designate an organization for the trust management of the program copyright (hereinafter referred to as an “trust managing agency”), and have it conduct the business of trust management of the program copyright in conformity with such requirements and formalities as prescribed by the Presidential Decree.

(2) Any person who wants to conduct the business of acting as an agent or a broker for program copyright shall make a report to the Minister of Information and Communication as prescribed by the Presidential Decree.

Article 47 - Habitual Offender

A person who has habitually fallen Article 46 (1) shall be sentenced to imprisonment for not more than five years or a fine not exceeding seventy million won or both.

Article 48 - Criminal Complaint

Concerning the offences as provided in Articles 46 (1) and 46 (3) 2 and 4, the prosecution may be made only when there is a criminal complaint filed by a program copyright owner or exclusive program publication right owner.

Article 49 - Legal fiction as Public Official in Application of Penal Provisions

The officers and employees of an organization who are engaged in the affairs entrusted by the Minister of Information and Communication under the provisions of Article 27 shall be considered as public officials in application of the provisions of Article 25, and Articles 129 through 132 of the Criminal Code.

Article 50 - Joint Penal Provisions

If a representative of a corporation, or an agent, employee or employed person of a corporation or individual, commits an offence as provided in Article 46 with respect to the business of the corporation or individual, a fine as provided in the same Article shall be imposed on the corporation or individual, in addition to punishing the offender.

2.6.1.10 The Unfair Trade Practices and Remedies Against Injury to Industries

Article 40 - Penal Provision

(1) Any person who falls under any of the following subparagraphs, shall be punished by imprisonment for not more than three years or a fine not exceeding three hundred million won:

- a) A person who has not complied with orders for the provisional measures under the provision of Article 7 (2)
- b) A person who has not complied with orders for the corrective measures under the provision of Article 10 (1)

[Note: Article 7 - Provisional Measure]

(1) Those who sustained or is feared to sustain irrecoverable damage from the unfair trade practice which KTC is requested to investigate or is investigating at its own discretion, shall request KTC to order to discontinue the unfair trade practice or to take other measures to prevent such damage (hereinafter referred to as “provisional measure”).

(2) If KTC is requested to order provisional measure, it must promptly conduct the investigation and determine whether it takes such measure, and if it determined to, it must order to discontinue the unfair trade practice or to take other measures necessary.

[Note: Article 10 - Corrective Measures]

(1) If KTC determines that there exists any unfair trade practice falling under the provisions of Article 4 (1) or (3), it may order him or her who has done such practice to discontinue exporting, importing, selling or manufacturing of the relevant products, to prohibit carrying in such products and discard such products, to put an advertisement of correction, to announce his or her violation of the Acts, and to take other measures necessary for correction.

[Note: Article 11 - Surcharge]

(1) If KTC determines that there exists any unfair trade practice falling under the provisions of Article 4 (1) or (2), it may impose upon him or her who has done such practice surcharge not exceeding the amount equivalent to 2 percent of the transaction amount determined by the Presidential Decree: *Provided*, That under the Presidential Decree, where there is no transaction amount, or where it is difficult to compute the transaction amount, surcharges may be imposed up to but not exceeding five thousand million won.

(2) If KTC intends to impose surcharge under paragraph (1), it shall hear opinions from the Minister of the Ministry of Commerce, Industry and Energy.

(3) If KTC determines that there exists any unfair trade practice falling under the provision of Article 4 (2), it may propose to the Minister of the Ministry of Commerce, Industry and Energy imposition of surcharge upon the relevant violator.

(4) The standards of the imposition of surcharges shall be determined by the Presidential Decree.

[Note: Article 4 - Prohibition of Unfair Trade Practices]

Nobody shall do the practice falling under each of the following subparagraphs(hereinafter referred to as “unfair trade practice”):

1. Any activity which is concerned with the products that infringe another party’s patent, utility model, design, trademark, copyright or neighboring rights, computer pro-

gram copyright, rights to semiconductor chip layout design, geographical indication or trade secrets protected by laws of the Republic of Korea or treaties to which Korea is a party (hereinafter, "Infringing Products") and falls under each of the following items:

- a. Importation of Infringing Products or the sale of such Infringing Products; and
 - b. Exportation of Infringing Products or the manufacture of Infringing Products for the purpose of export;
2. Exportation or Importation of the products falling under each of the following items:
- a. products having a false or misleading indication of their origin;
 - b. products with damaged or mortified indication of their origin; and
 - c. products that fail to carry the required indication of origin;

Article 41 - Joint Penal Provisions

If a representative of a juristic person, or an agent, employee or any other person working for a juristic person, or for an individual has committed an offence as prescribed in Article 40 with respect to any business of the said juristic person or individual, the applicable fine as prescribed in the same Article shall be imposed on the said juristic person or individual as well as on the person who has actually committed the violation.

2.6.2 The courts which impose penal sanctions are not qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting. This question is only the concern of the civil courts.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

And the group are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc.).

2.7.1 Parties to proceeding

The right holder can file a criminal complaint with the Police or the Public Prosecutor's Office.

After the investigation is completed by the Police and/or the Public Prosecutor's Office, the public prosecutor decides whether to indict the accused party.

Only the public prosecutor and the accused are the parties to the criminal proceedings before the court, and the complainant cannot be a party to such proceedings.

2.7.2 Name of court

There is no special court which handles criminal proceedings related to intellectual property rights. District courts handle the above criminal proceedings as trial courts.

2.7.3 Burden of proof

The burden of proof is borne by the public prosecutor. The intent of an infringer should be proved in cases related to the Patent Act, Utility Model Act, Design Act, UCPA, Copyright Act, Seed Industry Act, Semiconductor Integrated Circuits Lay-Out Design Act and AI-UTPR. However, the intent is assumed to exist in cases related to the Trademark Act if the trademark owner uses indications of "Registered Trademark" on the designated goods or their packages.

2.7.4 Award of damages

In criminal proceedings, damages are not awarded.

- 2.7.5 Costs
In criminal proceedings, no costs are imposed on the complainant or the infringer.
- 2.7.6 Declaration of validity of intellectual property rights
In criminal proceedings, the courts cannot declare the validity of intellectual property rights.
- 2.7.7 Technical experts
The courts (except the Supreme Court) which handle criminal proceedings do not have in-house technical experts. However, the courts may request outside technical experts to furnish expert opinions.
- 2.7.8 Reward to informer
In criminal proceedings, there is no reward to an informer.
- 2.7.9 Possibility of withdrawal of proceedings
Criminal proceedings may be withdrawn by a settlement agreement between the complainant and the infringer except for trademark cases.
- 2.7.10 Public apology at infringer's expense
In criminal proceedings, there is no rule for public apology at the infringer's expense.
- 2.7.11 Seizure and destruction of goods
In criminal proceedings, as a general principle, the goods related to infringement are seized and destroyed.
- 2.7.12 Order for disclosure
In criminal proceedings, as in civil proceedings, there is no rule providing for an order for disclosure.
- 2.7.13 Time frame
It usually takes six to ten months to complete criminal proceedings at the trial court level.
- 2.7.14 Approximate number of cases each year
The number of criminal cases related to the infringement of intellectual property rights is approximately 10,000.
- 2.7.15 Documentary evidence
Documentary evidence obtained in criminal proceedings may be used in civil proceedings, and vice versa.
- 2.7.16 Order concerning financial affairs and assets of infringer
In criminal proceedings, as in civil proceedings, there is no rule for such an order.
- 2.7.17 Consumer liability
In criminal proceedings, as in civil proceedings, there is no rule on consumer liability.
- 2.7.18 Limitation period
In criminal proceedings, the maximum limitation period is five years.
- 2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

The technical experts play an important role in the criminal proceedings. Their expert opinion greatly affects the decisions of the courts in technical aspects although the courts are not legally bound to accept the expert opinion.

The opinions of the technical experts can be used to show that the validity of the relevant intellectual property right is not obvious and that this doubt may be taken into account to determine the illegality of the infringer's act or the responsibility of the infringer.

- 2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

The general view of the Korean group is that penal sanctions are useful in protecting intellectual property rights. However, it is desirable that criminal proceedings should be suspended until the validity of a intellectual property right is confirmed in the relevant proceedings if the validity issue is raised with supporting evidence.

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonization at the international level.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

The view of the Korean group is that the penal sanctions should be extended to all the intellectual property rights, including the patents.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

The view of the Korean group is that the existence of the intentional element should be required for imposition of penal liability on infringers of intellectual property rights.

Negligent acts need not be covered by the purview of violations resulting in penal liability.

The burden is always on the prosecution to prove all the elements of the offence, including intention. The nature of the infringement may well give rise to an inference of intent.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

The Penal Judge does not have a power to rule on the validity of an intellectual property right the infringement of which is tried in the penal procedure. The Judge, at his discretion, may leave the question of the validity of such a right to the Intellectual Property Tribunal of the Korean Intellectual Property Office, and postpone the ruling in the penal procedure until the Intellectual Property Tribunal determines the validity of the intellectual property right at issue in the penal procedure.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

The view of the Korean group is that the victim of counterfeiting need not be a master of the criminal proceedings. However, the criminal cases based upon the Patent Act, the Utility Model Act, the Design Act, the Copyright Act, the Computer Program Protection Act, the Seed Industry Act, and the Semiconductor Integrated Circuits Lay-Out Design Act may be prosecuted only upon the complaint of the victim of counterfeiting and may be terminated upon revocation of the complaint.

The victim of counterfeiting can use, in particular, within the framework of the civil procedure, the documents from the penal procedure and the evidence of alleged counterfeiting acts.

4. Various

No further comments.

Report Q169

in the name of the Romanian Group
by Dr. Gh. BUCSĂ, President
Gh. BĂLAN, Rodall, Industrial Property Agency

Criminal law sanctions with regard to the infringement of intellectual property rights

1. Introduction

Romania has ratified the Marrakech Agreement on the setting up of the Trade World Organization through the Law No. 133 passed on December 22nd 1994, advertised with the Official Gazette of Romania, issue No. 360 of December 27th 1994. This Agreement comprises, in its Enclosure 1 C, the Agreement on the aspects of the trade-related intellectual property rights (TRIPS) by virtue whereof Romania has assumed as well, *inter alia*, the obligation stipulated under art. 61, to wit, the obligation of providing criminal procedures and criminalities applicable at least for the cases of deliberate acts of counterfeiting of the registered marks or of the trade marks or for acts of piracy against the copyright, committed at commercial scale.

2. Substantive law

Provisions of the Romanian legislation with reference to the criminal law sanctions in case of infringement of the intellectual property rights.

2.1 Criminal law sanctions expressly provided for in the Romanian legislation

A. The Law on the copyright and on the related rights, No. 8/1996

The Law provides for, in its art. 141 the following:

“Is an infringement and is punished by imprisonment from 3 months to 5 years or by the payment of a fine from 500.000 ROL to 10 million ROL, the act of an individual that appropriates, with no right, the quality of author of a work or the act of an individual that makes publicly known a work under another name than that decided by the author thereof”.

B. The Law on the marks and the geographical indications, No. 84/1998

The Law expressly provides for (under art. 83) “Is an infringement and is punished by imprisonment from 3 months to 3 years or by the payment of a fine in the amount of 15 million ROL.

The Law also stipulates that the committing by a third party of any act provided for under art. 35 para. 2 without having the consent of the holder of such right, is an infringement by counterfeiting, i.e., the use in its trading activity of an identical sign with the relevant mark (for identical products or services) or the use of a sign that could lead, in the public perception, to a risk of confusion, to a risk of association of such mark with the sign or the use of a sign which, by its very use, could make any third party take advantage of the distinctive nature thereof or of the goodwill pertaining to the mark or the use of such sign could cause a prejudice to the rightful holder of the mark.

C. The Law on the Patents, No. 64/1995

This Law provides for in its art. 59 “Is an infringement of by counterfeiting, the unauthorized manufacturing, use or the putting in circulation of an object protected patent or any other in-

fringement of the rights conferred by such patent, during the period of validity thereof, such act being punished by imprisonment from 3 months up to 2 years or by the payment of a fine from 50.000 to 100.000 ROL”.

D. The Law on the protection of drawings and of the industrial models, No. 129/1992

The Law stipulates under art. 42 the unauthorized reproduction of the drawing or of the industrial model in view of the manufacturing, of the offering for sale, of the sale, of the import, the use or the stocking of such product in view of their putting in circulation or use, without having the consent of the rightful holder of the certificate of registration of such drawing or of such industrial model, during the period of validity thereof, is an act of infringement by counterfeiting of the drawing or of the industrial models and same is punished by imprisonment from 6 months up to 2 years or by the payment of a fine.

E. The Law on the protection of the integrated circuits topographies, No. 16/1995

The Law provides for under art. 40 that the infringement of the rights of the rightful holder, by way of the operation, without having been licensed thereby, of a registered printing house, is a case of infringement by counterfeiting or, as the case may be, by selling counterfeited products, such acts being punished by imprisonment from 3 months to 3 years or by the payment of a fine from 500.000 ROL up to 1.000.000 ROL.

F. The Law on the protection of the new sorts of plants, No. 255/1998

The Law provides for under art. 40 the infringement by counterfeiting is punished by imprisonment from 3 months up to 3 years or by the payment of a fine from 3 million ROL up to 15 million ROL, the quantum thereof being updated by Government Order, subject to the rate of inflation.

The attempt is also punished. It is considered to be an act of infringement by counterfeiting, the effecting, without having the consent of the rightful holder of the patent on the sort, of any of the following acts with reference to the reproduction material and to the material collected from the protected sort:

- a) the production or the reproduction;
- b) the conditioning in view of the multiplication;
- c) the offer for sale;
- d) the sales or any other form of marketing;
- e) the import;
- f) the export;
- g) the storing for any of the a/m purposes;
- h) the use for the multiplication material, produced and sold, of another name than the name registered of the new sort;
- i) the use of the registered name of a new sort for the multiplication material, produced and sold, that does not belong to such sort;
- j) the assignment for the multiplication material, produced and sold, of a name that is very close to that of the protected sort, so as to give way to confusions;
- k) the sale of multiplication material, on the false mention that the appearance of the sort wherefore the sort patent was granted, misleading thus the buyer;
- l) the false registration of a sort with the National Register for Patents on Protected Sorts;
- m) the preparing of false reports, as well as the forcer of the documentation required in accordance with the law;
- n) the supply of documents containing false information.

G. The Law on the prevention of the unfair competition, No. 11/1991

The Law provides for under art. 3 the infringement of the obligation stipulated under art. 1, i.e., to carry out in good faith and in keeping with the fair usance, shall bring about the civil, contraventional or criminal liability.

It is also expressly specified under art. 5 the infringements of unfair competition shall be punished by imprisonment from 1 month up to 2 years or by the payment of a fine from 20.000 ROL up to 100.000 ROL, if:

- a) the use of a firm, of an emblem, of special designations or of packaging materials of such nature as to cause confusion with those legitimately used by another merchant;
- b) the production under any way, the import, export, storing, putting up for sale or the sale of goods bearing false mentions with reference to the patents, to the origin and to the characteristics of the goods, as well as with reference to the name of the producer or of the merchant, so as to mislead the other merchants or beneficiaries.

H. The Criminal Code

The Criminal Law, under art. 299, provides that the counterfeiting or the unauthorized of an object of a patent is punished by imprisonment from 3 months up to 2 years or by the payment of a fine.

Art. 300, the putting in circulation of products made as a result of the counterfeit or the use, without having the right, of the object of a patent, is punished by imprisonment from 3 months up to 2 years or by the payment of a fine.

Art. 301, the manufacturing or the putting in circulation of products bearing false denominations or indication of origin, or the use of trade names or of trade or industrial denominations, in order to mislead the beneficiaries, is punished by imprisonment from 1 month up to 2 years or by the payment of a fine.

2.2 The legal provisions with reference to the counterfeiting are met if:

- there is a protection title, during its period of validity, having effects within the territory of Romania;
- it appeared as obvious an undermining caused to the holders' exclusive rights;

There is an international element.

The Romanian legislation does not provide for an intentional "special" element, considering that if the acts of counterfeiting were effected while being fully aware of them, the intentional element is proven.

The substantiating means are those provided for by the common law.

The measures of conservation shall apply in conformity with the provisions of art.581 and 582, Civil Procedure Code.

2.3 In accordance with the Romanian legislation, the acts of counterfeiting shall be subject both to the criminal liability and to the civil liability.

The prescription deadline for the criminal side is of 2 months as of the date when the committing of the act of counterfeiting is made known, while, for the civil side, this deadline is of 3 years.

2.4 The criminal sanctions provided for under the Romanian legislation were mentioned under chapter 2.1.

For the prejudices caused to the holder, he/she is entitled to damages according to the common law, which, as a rule, are tried before the courts of common law and not before those of criminal law (as per art.279, Criminal Proceedings Code).

A criminal proceedings court can be approached as well in case of the petitions in off-set of the repair of the damages caused, but the criminal court order does not have the power of *res judicata* on the civil action at law.

As a rule, the conclusions of the criminal court order are compulsory for a civil court, because it proves the existence of a counterfeit and mentions the person who is guilty thereof.

If the two actions at law are lodged concurrently with different courts, then, in such case, the trial of the civil action at law shall be stayed pending settlement of the criminal case, in conformity with art.244, Civil Procedure Code.

- 2.5 As a rule, the right to start up criminal proceedings is the prior claim lodged by the injured party, respectively, the holder of the intellectual property rights.

The prior claim, as a form of referring to the criminal investigation authorities is expressly provided for in the intellectual property legislation as hereunder:

- art. 83 of the Law No.84/98 on geographical marks and indications;
- art. 141 of the Law No.8/96 on the copyright and the related rights;
- art. 59 of the Law No.64/95 on the invention patents;
- art. 42 of the Law No.129/92 on the protection of industrial drawings and models;
- art. 40 of the Law No. 16/95 on the protection of the integrated circuits topographies;
- art. 40 of the Law No. 255/98 on the protection of the new sorts of plants;
- art. 3 of the Law No.11/91 on the fighting against unfair competition.

At the same time, this law specified under art.8 that the criminal law could be also commenced at the request of the territorial chamber of commerce and industry or of another professional organization.

The conditions related to the form and substance of the prior claim are set forth under art. 222, Criminal Proceedings Code:

- a claim is the document whereby an individual or an organization from among those specified under art.145, Criminal Code, notifies the offence caused to it by an injury;
- the claim must comprise: the surname, the given name(s), the quality and the domicile of the petitioner, the description of the act forming the object of the claim, the indication of the perpetrator, provided he/she is known and the means of evidence;
- the claim can be lodged in person or by proxy, the power-of-attorney having to be granted as a special one.
- It is worth mentioning the fact that within the criminal action at law, it is possible for the parties to come to an agreement and even that the injured party to withdraw its criminal claim, which determines the lack of the criminal liability of the counterfeit.

- 2.6. The role of the experts within the criminal proceedings is often determining in order to find the cases of violations of the holders' rights.

Within the expert's reports ordered by courts, the technical experts are requested to find out whether there is or there is not a counterfeiting of the invention, of the mark, of the design, etc.

3. Proposals for the improvement of the legislation

- 3.1 We are of the opinion that the criminal sanctions must be extended on all the intellectual property rights, therefore, also on inventions, models of utility, industrial drawings and models, integrated circuits topographies, sorts of new plants.

- 3.2 The intentional element must be considered as a compulsory condition for the counterfeiting. The evidence of the intentional element results from the acts committed while being

fully aware of them. The duty of substantiating the intentional element, respectively, of the lack thereof, should fall within the counterfeiter's duty.

- 3.3 The validity of an intellectual property right should fall within the duty of the National Office for the Intellectual or Industrial Property.

We would like to emphasize the fact that the Romanian legislation fulfils, at present, the obligations assumed by art.61 of the TRIPS Agreement, there existing legal provisions as well as criminal sanctions not only for the cases of breach of the copyright and of the rights of the holders of marks, but also of the rights of the holders of inventions, drawings and industrial models, integrated circuits topographies, new sorts of plants as well as for the punishment of the unfair competition.

Summary

The Criminal Law provides that the counterfeiting or the unauthorized of an object of a patent is punished by imprisonment from 3 months up to 2 years or by the payment of a fine.

The putting in circulation of products made as a result of the counterfeit or the use, without having the right, of the object of a patent, is punished by imprisonment from 3 months up to 2 years or by the payment of a fine.

The manufacturing or the putting in circulation of products bearing false denominations or indication of origin, or the use of trade names or of trade or industrial denominations, in order to mislead the beneficiaries, is punished by imprisonment from 1 month up to 2 years or by the payment of a fine.

Résumé

La Loi Pénale prévoit que la contrefaçon ou l'utilisation, sans y avoir droit, de l'objet d'une invention, est punie par emprisonnement de 3 mois à 2 ans ou par amende.

La mise en circulation de produits réalisés par contrefaçon ou l'utilisation, sans y avoir droit, de l'objet d'une invention, est punie par emprisonnement, de 3 mois à 2 ans ou par amende.

La fabrication ou la mise en circulation de produits sous fausses dénominations d'origine ou indications de provenance, ainsi que l'application sur les produits mis en circulation de fausses mentions à l'égard des brevets d'invention, ou l'utilisation de certaines dénominations commerciales ou marques déposées ou industrielles, en vue d'induire en erreur les bénéficiaires, est punie par emprisonnement de 1 mois à 3 ans ou par amende.

Zusammenfassung

Strafgesetz Die Fälschung oder die unberechtigte Benutzung, des Objekts einer Erfindung wird mit Gefängnis von 3 Monaten bis 2 Jahre oder mit Bußgeld bestraft.

Das im Umlauf bringen von Produkten, erzeugt infolge von Fälschung oder der unberechtigten Benutzung des Objekts einer Erfindung wird mit Gefängnis von 3 Monaten bis 2 Jahre oder mit Bussgeld bestraft.

Die Fabrikation oder das in Umlauf bringen von Produkten, welche falsche Herkunftsbezeichnungen oder Herkunftsindikationen tragen, als auch das Anbringen auf den Produkten die in Umlauf gebracht werden von falschen Erwähnungen über Erfindungspatenten, oder die Benutzung von Handelsnamen oder Handels oder Industriebzeichnungen, zum Zweck, die Benutzer zu verleiten, wird mit Gefängnis von einem Monat bis zu 2 Jahren oder Bussgeld bestraft.

Report Q169

in the name of the Singapore Group

Criminal law sanctions with regard to the infringement of intellectual property rights

2.1 *The groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trade marks and to the copyright.*

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual; property such as patents, models, unfair competition and so on?

In accordance with Article 61 of TRIPS, which requires criminal penalties to be imposed in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale, Singapore laws provide for penal sanctions in relation to the commercial exploitation of works infringing copyright as well as acts counterfeiting of trade marks¹. However, apart from the above, there are no other laws providing penal sanctions for the violation of other intellectual property rights. In particular, the Patents Act and the Registered Designs Act do not provide any penal sanctions for wilful infringement of patents and designs on a commercial scale.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights, and in particular, whether this penal liability require a special intentional element?*

Who has the burden of proof of this intentional element?

Is this special intentional element suppose or must be proven positively?

Under the Copyright Act, a person, who at a time when copyright subsists in a work, makes, sells, hires, offers for sale, exhibits for the purpose of sale, distributes, possesses or imports for the purpose of trade, any article which he knows, or ought reasonably to know to be an infringing copy of the work shall be liable for an offence. In addition, any person possessing an article or contrivance specially adapted to make infringing articles will be also liable for an offence. Furthermore, any person who broadcasts or publicly exhibits any copyrighted works, films, television or cable programmes will be liable for offences under the Copyright Act.

The classes of acts which attract criminal liability under the Trade Marks Act differ slightly from those under the Copyright Act. A person who counterfeits a registered trade mark or who falsely applies a registered trade mark to goods or services is liable for an offence under the Trade Marks Act². A person who makes or has in his possession an article which is specifically designed or adapted to make copies of a registered trade mark or a sign likely to be mistaken for that trade mark knowing or having reason to believe that it has been, or is to be, used for counterfeiting is also liable for an offence³. A person who imports, sells or exposes for sale or possesses for the purposes of sale goods to which a registered trade mark is falsely applied shall also be liable to conviction, as is a person or who falsely represents a trade mark to be registered when it is not.

¹ Sections 46 to 49 of the Trade Marks Act and Section 136 of the Copyright Act.

² Section 46 and 47 of the Trade Marks Act.

³ Section 48 of the Trade Marks Act.

With the exception of the offence of making or possessing article for counterfeiting, there is no necessity to prove an intentional element in trade mark offences. However, in the case of commercial distribution of counterfeit trade mark products, the law allows the defendants to avoid criminal liability if the defendants can raise the defence that:

- a) they had taken all reasonable precautions against committing the offence, they had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the product and on demand made by or on behalf of the prosecution, they gave all the information in their power with respect to the persons from whom they obtained the goods; or
- b) they had acted innocently.

The burden of proof lies on the defendants to raise these defences.

For copyright offences, the burden is on the prosecution to prove that the defendants knew or ought reasonably to have known that the items which are the subject matter of the prosecution are infringing items. As there is no presumption of knowledge, this element must be proven positively. The courts will generally look into the circumstances of the case to infer knowledge⁴.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The group must indicate if the civil and penal liabilities are, in fact, likely to be engaged for the same acts of counterfeiting

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

The scope for civil liability is wider than criminal liability under both the Trade Marks Act and Copyright Act. Criminal liability covers only the commercial exploitation of counterfeit or pirated products, such as the manufacturing, distribution, selling, possession or importing for the purpose of trade pirated products. Offences under the Trade Marks Act and Copyright Act also attract civil liability but not all civil infringements attract criminal liability. As such, criminal infringements form a subset of civil infringements.

Civil infringement arises under the Copyright Act when a person who, not being the owner of the copyright, and without the licence of the owner of the copyright, does in Singapore, or authorises the doing in Singapore of, any act comprised in the copyright. These acts include the commercial exploitation of infringing works⁵.

Criminal liability however only attaches to the commercial exploitation of infringing works such as:

- a) the sale, hire or exhibition for trade of an infringing work where the offender knows or ought reasonably to know that the work is an infringing work;
- b) the possession and importation of an infringing work for the purpose of trade where the offender knows or ought reasonably to know that the work is an infringing work;
- c) the distribution of an infringing work for purpose of trade or other purposes, but to such an extent that will affect prejudicially the owner of the copyright, where the offender knows or ought reasonably to know that the work is an infringing work;

⁴ See *PP v Teo Ai Nee* [1994] 2 SLR 96

⁵ Sections 31, 32 and 33 of the Copyright Act.

- d) the making or possession of an article specifically designed or adapted for making copies of work which the offender knows or ought reasonably to know, is to be used for making an infringing work; and
- e) the causing of a literary, dramatic or musical work to be performed in public, or a cinematograph film to be seen or heard or seen and heard in public, other than by the reception of a television broadcast or cable programme, where the offender knows, or ought reasonably to know, that copyright subsists in the work or cinematograph film and that the performance constitutes an infringement of the copyright.

Civil infringement of a registered trade mark arises from the use of the registered trade mark or a confusingly similar mark without the consent of the registered proprietor in relation to the same or similar goods or services for which it is registered⁶.

Criminal liability for trade mark infringement is only attached to the following:

- a) counterfeiting of a trade mark;
- b) falsely applying a trade mark on goods and services
- c) making or possessing of article specifically adapted for committing trade mark offences; and
- d) importing, selling or possessing for the purpose of trade, goods with falsely applied trade marks.

Pursuant to the Copyright Act, copyright owners have 6 years from the date of infringement to commence civil action⁷. There is no corresponding provision inside the Trade Marks Act. The Limitation Act provides that action should be brought within 6 years from the date of infringement. There is no limitation period for criminal offences.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

The Copyright Act and Trade Mark Act do not make a distinction between corporate and personal entities. As such, a corporate entity could also be liable for offences under the Copyright Act and Trade Marks Act.

Where the offence is committed by a corporate entity with the consent or connivance of a director, manager or any officer of the corporate entity, the corporate entity as well as the officer shall be guilty of the offence⁸.

2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

If a penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

The penal Court has the capacity to rule as to whether the trade mark or copyright owner has successfully proven their rights in relation to the particular case of counterfeiting. It however does not have the jurisdiction to question the validity of the rights granted. In

⁶ Section 27 of the Trade Marks Act

⁷ Section 6 (1) of the Limitation Act.

⁸ Section 201B of the Copyright Act and Section 107 of the Trade Marks Act.

criminal proceedings relating to copyright offences, the copyright owner may, by way of an affidavit, adduce evidence relating to the subsistence of copyright⁹. Such an affidavit shall be prima facie evidence of subsistence of copyright. It is however open to the defendant to challenge the assertions in the affidavit, including the subsistence and ownership of the copyrights in question.

Similarly, under the Trade Marks Act, a trade mark registration is *prima facie* evidence of validity of the trade mark. The penal court has no jurisdiction to revoke a trade mark registration.

In cases where the defendant intends to raise the issue of the validity of a trade mark, the penal Court, at the pre-trial conference, may stay the proceedings pending any revocation proceedings by the defendant.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by victims of the acts of counterfeiting or is this question only the concern of the civil courts?

The penal sanction for all trade mark offences is a fine not exceeding S\$10,000 per article or a maximum of fine not exceeding S\$100,000 or 5 years imprisonment, or both.

In cases where a person, who distributes an infringing article for the purpose of trade or for other purposes to such an extent as to affect prejudicially the owner of the copyright, which he knows, or ought reasonably to know, to be an infringing copy, that person is liable to a fine not exceeding \$50,000 or to imprisonment for a term not exceeding 3 years, or to both.

A person who makes or has in his possession an article specifically designed or adapted for making copies of a work where the person knows or ought reasonably to know, is used for making infringing copies of the work, is liable to a fine not exceeding \$20,000 for each such article or to an imprisonment term not exceeding 2 years, or to both.

While the penal court has jurisdiction to award compensation to the victim in a criminal matter, we are unaware of any court decision that has exercised its jurisdiction to award compensation to an intellectual property rights owner. In most cases, rights owners must resort to commencing civil proceedings to recover damages.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

The groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

The Singapore Government adopts a self-help approach in the enforcement of criminal sanctions against trade mark counterfeiting and copyright piracy.

For trade marks offences, trade mark proprietors and their representative are required to obtain evidence of infringement, attend before the Magistrate to lodge complaints for the issuance of search warrants against businesses that are commercially exploiting counterfeit trade marks¹⁰. The subsequent raids are conducted by the Intellectual Property Rights Branch of the Criminal Investigations Department assisted by the trade mark owners and their representatives.

⁹ Section 137 of the Copyright Act.

¹⁰ The power for trade mark proprietors to obtain search warrants and conduct raids is conferred under Section 62 of the Criminal Procedure Code.

Upon the successful execution of a raid, trade mark proprietors may engage legal counsel to prosecute the offenders for offences under the Trade Marks Act. Prior to the commencement of the criminal prosecution, the legal counsel would first have to obtain a *fiat* (authorisation) from the Attorney-General's Chambers to prosecute¹¹ the offender. Prosecutions are commenced by way of filing private summonses. In the appropriate cases (especially when the infringement is particularly severe or there is evidence of organized criminal activity), the Police and Attorney General's Chambers would step in to conduct further investigations and take over the prosecution

The procedure is similar in relation to copyright offences. Copyright owners are entitled to conduct raids under the Copyright Act¹². These raids are conducted with the assistance of the Intellectual Property Rights Branch of the Criminal Investigations Department of the police. Upon the successful execution of a raid, as in trade mark offences, copyright owners must engage legal counsel to prosecute the offenders for the copyright offences within 6 months or the seized goods will be returned to the offender. The procedure is similar to the procedure for prosecuting trade mark offences.

However, it should be noted that in the cases prosecuted by the intellectual property rights owners, the right owners are not free to determine the manner of prosecution or to reach a settlement. Close control over the conduct of the prosecution is exercised by the Attorney-General's Chambers who retain the right to approve any plea or settlement. This renders the procedure cumbersome to right holders. The right holders must also indemnify the Attorney-General's Chambers against any liability arising from the private prosecution.

The burden of proof in criminal cases lies with the prosecution. The prosecution has to prove beyond a reasonable doubt that the offence was committed by the defendant.

In some instances, the Intellectual Property Rights Branch ("IPRB") of the police may commence criminal actions on their own. These again are generally cases which involve large scale syndicates or organized criminal activity. In such cases, the offenders are usually arrested during the raids. The cases are investigated by the IPRB and prosecuted by the Attorney-General's Chambers.

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

In particular, to indicate if the opinion of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

In criminal proceedings relating to trade mark offences, the role of technical experts is generally confined to examining and testifying that the infringing items are not of the manufacture or origin of the trade mark owner. While the burden is on the defendant to prove that the alleged infringing items are made with the consent of the trade mark owner¹³, it is common for the prosecution to adduce technical evidence from the expert to show that the items in dispute are infringing items.

The role of the technical expert in copyright offences is similar to that of the technical expert in trade mark offences. However, unlike the Trade Marks Act, the burden of proving that the items in dispute are infringing copies lies with the prosecution. As knowledge is an element in copyright offences, a defendant may adduce expert evidence stating that the items in issue are not obviously infringing to the defendant.

2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of intellectual property rights.*

¹¹ Section 336 (4) and 336 (7) of the Criminal Procedure Code.

¹² Section 136 (9) of the Copyright Act.

¹³ Sections 46 (3) and 47 (5) of the Trade Marks Act.

While the penal provisions under the Trade Marks Act and Copyright Act apply to some forms of infringement of intellectual property rights, they do not apply to all types of copyright and trade mark piracy. For example, the use of copyright infringing works for a commercial purpose, such as use of unlicensed software by companies or private individuals, is not a penal offence.

There are no criminal provisions for the infringement of designs, layout-designs of integrated circuits, geographical indication and patent rights. It is submitted that criminal sanctions should be extended to the intentional commercial exploitation of the above intellectual property rights as there appears to be no compelling reasons to distinguish between the intentional exploitation of such intellectual property rights on the one hand, and copyright and trade marks on the other.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

Penal sanctions should be extended to all wilful commercial exploitation of pirated intellectual property works. Penal sanctions are necessary as a deterrent to intentional commercial exploitation of such intellectual property rights. This should include the wilful commercial exploitation of processes and products that infringe patent rights. The infringement of intellectual property rights on a commercial scale has a significant impact on the value of the intellectual property rights. Without the ability to rely on penal sanctions, rights holders lack the option of obtaining enforcement assistance to investigate and take effective deterrent action against such acts. Further, it is often difficult to compensate right holders for the damage caused by wide-scale piracy by damages alone. Penal sanctions may be required in some instances.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberated?

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

Under the Copyright Act, criminal liability is only extended to a person who commercially exploits infringing works if he knows or ought reasonably to have known that the works are infringing works. There is no presumption of knowledge under the Copyright Act and therefore such knowledge on the part of the infringer must be proven positively by the copyright owner. In most cases, the copyright owner will rely on circumstantial evidence leading to an irrefutable inference of knowledge on the part of the infringer.

The position under the Trade Marks Act is different. There is no requirement for the positive proof of intention. In offences relating to the commercial distribution of counterfeit products under the Trade Marks Act, the burden is on the defendant to establish that he has no reason to suspect that the products are counterfeit and that he has taken all reasonable precaution against committing the offence.

We are of the view that the element of knowledge is necessary as most criminal offences must involve a certain degree of *mens rea* on the part of the offender. It is usually only for regulatory offences that strict liability arises. However, such an intentional element need not be deliberate in nature. It may be sufficient if the offender "turns a blind eye" or if there were facts that should have led the offender to have imputed knowledge of the infringement.

The question also arises whether the *mens rea* must be positively proved. In relation to intellectual property rights offences, it would usually be difficult to establish a clear intention to violate the law. However, proof of the intentional element should be allowed to be drawn from the circumstantial evidence such as the nature of and circumstances of the infringement. Otherwise, the difficulty of proving the intentional element will become a loophole for

infringers to easily exploit. As such, it would bring consistency to the law if the knowledge requirements in trade mark and copyright offences are made uniform and that the burden of proving that he had no reason to suspect the genuineness of the goods lies with the defendant.

- 3.3 *Should Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

We are of the view that penal judges should not rule on the validity of an intellectual property right as some penal judges may not have the technical knowledge or experience to rule on such issues. As such, in cases where the validity of an intellectual property right is an issue, the penal judge should adjourn the hearing of the matter pending the outcome of the determination of the validity by a civil court or the relevant patent office. In this regard, the defendant should be given a deadline to raise the issue of validity in a civil court, as there should not be any undue delay in the criminal procedure. However, a defendant should have a good faith basis for challenging the validity of the right, as otherwise criminal proceedings will become too unwieldy. During the course of the determination of the validity of the right, the police should retain custody of all evidence and seized material.

In addition, during the civil proceedings to determine the validity of the right, the civil court should also have jurisdiction to grant certain interim relief to the right holder upon upholding the validity of the right. In particular, the civil court should have the jurisdiction to grant injunctive relief and orders freezing the assets of the defendant to preserve the victim's right to file a civil claim for damages at the conclusion of the criminal proceedings.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

In Singapore, where the criminal enforcement of intellectual property rights is based on a self-help regime, the victim should have the authority to determine the course of the criminal proceedings as well as the discretion to settle the matter amicably since the victim is bearing the cost of the prosecution. However, under the present system, the victim may only commence or settle criminal proceedings under the Copyright and Trade Marks Act with the express authorization and consent of the Attorney-General's Chambers. This is highly unsatisfactory to resolution and settlement of proceedings.

A victim may use the outcome of a criminal proceeding as evidence in the corresponding civil proceedings¹⁴. Where an infringer has been convicted by a criminal court, the victim may use the conviction as evidence to support an application for summary judgment against the infringer in a civil court. This helps to expedite civil proceedings against convicted infringers.

4. **Additional comments**

Summary

We propose that criminal sanctions arising from the infringement of intellectual property rights should be extended to all cases of wilful infringement of intellectual property rights on a commercial scale. As penal sanctions deprive the accused of liberties, we are of the view that it should be nec-

¹⁴ Section 45A of the Evidence Act.

essary to prove an intentional element. However, the intentional element may be actual or imputed and proof of such knowledge may be drawn from circumstantial evidence surrounding each case.

We also propose that penal judges should not have the jurisdiction to rule on the validity of an intellectual property right. In criminal proceedings where an intellectual property right is in dispute, the proceedings should be adjourned pending the outcome of the determination of the validity by a civil court or the relevant intellectual property office.

We also propose that intellectual property rights owners should have the authority to determine the course of criminal proceedings as well as the discretion to settle cases independently of the control of the Attorney-General's Chambers. At the very least, the right owners should be at liberty to apply to recover costs of prosecution from the infringers in an appropriate case.

Report Q169

in the name of the South African Group
Prepared by Esmè DU PLESSIS and Dario TANZIANI,
assisted by Elane BOTHA

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

2. Substantive law

The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of penal sanctions in respect of infringement of intellectual property rights

2.1 *More particularly, whether the provisions of article 61 of the TRIPS Treaty were introduced into national legislation with regard to trade marks and copyright.*

Even before the TRIPS Treaty was signed by South Africa, the South African copyright legislation already made provision for penal sanctions in regard to copyright. Section 27 of the **Copyright Act** No. 98 of 1978 makes provision for penal sanctions in respect of certain specific acts of infringement where the perpetrator acts with knowledge of the infringement.

After South Africa's accession to the TRIPS Treaty the **Counterfeit Goods Act** No. 37 of 1997 was enacted in 1997 and was implemented on 1 January 1998. This Act enables the owner of trade marks rights, copyright and certain rights under the **Merchandise Marks Act** No. 17 of 1941, under certain conditions to act speedily against a person involved in infringing activity which amounts to counterfeiting. The Act provides for a criminal complaints procedure leading to the seizure of counterfeit goods, and to the imposition of penalties including a fine or imprisonment or both. Certain infringements of trade mark rights and copyright may thus lead to criminal liability under this Act.

This Act is viewed as complementary to the Copyright Act as regards the criminal provisions of the Copyright Act.

The Counterfeit Goods Act was enacted to bring South Africa into compliance with the peremptory provisions of Article 61 of the TRIPS Treaty in regard to trade mark counterfeiting and copyright piracy.

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models (designs), unfair competition and so on?

At present there are no penal sanctions in South African law for violation of intellectual property rights other than trade marks rights, copyright, and certain rights under the Merchandise Marks Act, except as follows:

- The **Competition Act No. 89 of 1998** provides (sections 69 - 77) for penal sanctions for certain conduct relating to procedures under the Act, such as disclosure of confidential information. However, contraventions of the prohibitions (i.e. prohibitions of conduct constituting unfair competition) do *not* constitute criminal offences.
- The **Competition Act** provides (sections 49B - 60) for *civil* complaint procedures in the case of contraventions of the prohibitions. The prohibitions pertain to prohibited

practices the majority of which amount to acts of unfair competition. In the chapter on Investigation and Adjudication Procedures, the Act provides (section 58) *inter alia* for the Competition Tribunal to issue interdicts where the provisions on prohibited practices have been contravened, and further provides (section 58 - 59) for administrative penalties or fines to be imposed in the case where contraventions are found to have taken place.

However, the Competition Act provides that in the case of complaint procedures for the contravention of prohibited practices, non-compliance of an order issued by the Competition Tribunal on the basis of such a complaint, constitutes an offence (section 73).

- The **Merchandise Marks Act**, which prohibits the use of false trade descriptions, prescribes (sections 6 - 9) penal sanctions for certain acts, such as the application of false trade descriptions, the alteration of trade marks, the importation of goods bearing a wrong indication of origin, etc. In the case of a conviction, a penalty in the form of a fine or imprisonment or both can be imposed.

2.2 *The groups are invited to present the conditions for the penal liability for acts for infringement of intellectual property rights*

In particular, does this penal liability require a special intentional element?

The requirement as regards mens rea or culpability for criminal liability is different in different intellectual property statutes.

In terms of the **Copyright Act** (section 27), guilty knowledge is a requirement for criminal copyright infringement. It has been held by courts in our country that the test for purposes of criminal copyright infringement is a subjective one and requires actual intent on the part of the accused, and not simply negligence. It therefore means that the accused must have had the intention to commit a prohibited act or to deal with infringing copies of copyright works.

In terms of the **Counterfeit Goods Act** (section 2(2)), the person who performed the prohibited act must have had knowledge that, or must have had reason to suspect that, the goods in question were counterfeit goods; or otherwise, the person must have failed to take all reasonable steps to avoid performing or being engaged in a prohibited act with reference to counterfeit goods. The State is therefore required to show intention in the form of actual intent or, in the alternative, the State is required to show culpability in the form of negligence.

Sections 6 and 7 of the **Merchandise Marks Act** provide for the application of a false trade description, or for the selling or letting of goods bearing a false trade description, to constitute an offence, if the person at the time of the commission of the alleged offence knew or had reason to suspect that the trade description was not genuine; or if the person did not take all reasonable steps in order to avoid the commission of the alleged offence. Section 6(2) provides that any person who alters any trade mark is guilty of an offence, if the person did not take all reasonable steps in order to avoid the commission of the alleged offence. Therefore, the intentional element required by the Merchandise Marks Act, is mere negligence.

In terms of the **Competition Act**, the person must have had the intention to commit an offence.

Who has the burden of proof of this intentional element?

In terms of the **Copyright Act** the burden of proof rests on the State, or, if it is a private prosecution, the burden of proof rests on the party who is prosecuting. In practice, private prosecutions in intellectual property matters seldom occur.

In terms of the **Counterfeit Goods Act**, the burden of proof generally speaking also rests on the State. However, due to the manner in which section 2(2)(b) has been worded, when the State avers that the perpetrator failed to take all reasonable steps to avoid the prohibited act, the burden of proof shifts to the accused who has to rebut the averment by showing that reasonable steps had in fact been taken.

In terms of the **Merchandise Marks Act**, the burden of proof rests on the party who is prosecuting and that party will normally be the State. However, the same shifting of the onus applies to the requirement for reasonable steps to be taken in sections 6 and 7 of the Merchandise Marks Act.

In terms of the **Competition Act**, the burden of proof during the criminal proceedings rests on the party who is prosecuting and, as previously stated, this is usually the State.

Is this special intentional element presumed or must it be proven positively?

In terms of the **Copyright Act**, the element of intent is not presumed and it must be proven positively.

The **Counterfeit Goods Act**, in order to facilitate proof of the issue, provides (section 16(6)) for a presumption, namely that any person who conducts business in protected goods (i.e. goods embodying the subject matter of the relevant intellectual property right with the authority of the owner of the right) and who is found in possession of suspected counterfeit goods, will be presumed, until the contrary is proved, to have been in possession of such counterfeit goods for the purposes of dealing therein. This presumption is subject to the proviso that the quantity of those counterfeit goods must be greater than that which may be reasonably required for the accused private and domestic use. This means that possession of counterfeit goods in certain circumstances creates a presumption that there is an intention to deal with such goods commercially.

This presumption will only be rebutted if credible evidence in rebuttal is tendered in court.

Section 18(3) of the **Merchandise Marks Act** includes a presumption, which shifts the burden of proof to the accused. It provides that if it is proved that the accused conducts business in goods of the same or similar type as the goods to which a false trade description had been applied, and goods bearing a false trade description are found in possession of the accused or are found on or in premises of which the accused was in charge, it is presumed, until the contrary is proved, that the accused offered for sale or hire the goods bearing a false trade description.

Although provision is made for presumptions in Section 77 of the **Competition Act**, these provisions do not shift the onus from the State (the prosecution) to the accused. The State still has the burden to prove the intentional element.

2.3 *The groups must also indicate if there are differences between acts of infringement of an intellectual property right from the point of civil or criminal liability*

In terms of the **Copyright Act** there are some differences between infringements giving rise to civil liability, and infringements leading to criminal liability. With reference to civil liability: there are two kinds of infringement, namely direct infringement and indirect infringement.

Direct infringement takes place when a prohibited act is carried out (section 23(1)). The Copyright Act specifies, in respect of each category of copyright works, the prohibited acts or conduct which will constitute direct infringement of copyright if carried out without the authority of the copyright owner. The prohibited acts differ for different categories of works, but generally the following acts are prohibited:

- reproducing the work;

- publishing the work;
- making an adaptation of the work.

Blameworthiness, either in the form of intent or negligence, is not a requirement to give rise to civil liability, for example for the granting of an interdict or injunction. However, blameworthiness, either in the form of intent or negligence, is required to create liability for damages.

For direct infringement to take place, it is not necessary for the infringer to know that he is infringing the copyright in a work.

Concerning indirect infringement, section 23(2) of the Copyright Act makes provision for various other types of conduct to constitute infringement of the work which is protected by copyright. It is important to note that guilty knowledge is a requisite for indirect infringement in a civil action.

These types of conduct include the following:

- importing an article into the Republic for a purpose other than for private and domestic use;
- selling, letting, or by way of trade offering for sale or hire an article in the Republic;
- distributing in the Republic an article for the purposes of trade, or for any other purpose, to such an extent that the owner of the copyright in question is prejudicially affected; or
- acquiring an article relating to a computer program in the Republic,

if to the knowledge of the perpetrator the making of the article constituted an infringement.

Section 27(1) of the Copyright Act creates criminal offences when a person carries out certain acts in respect of articles which he knows to be infringing copies of a work. Section 27(1) makes provision for the following acts, namely:

- making for sale or hire;
- selling or letting for hire, or by way of trade offering or exposing for sale or hire;
- by way of trade exhibiting in public;
- importing into the Republic otherwise than for private or domestic use;
- distributing for purposes of trade; or
- distributing for any other purposes to such an extent that the owner of the copyright is prejudicially affected,

articles which the perpetrator knows to be infringing copies of the work.

Section 27(2) - (5) has further provisions for criminal infringements, namely:

- making or having in one's possession a plate knowing that it is to be used for making infringing copies of a work;
- causing a literary or musical work to be performed knowing that copyright subsists in the work and the performance in question constitutes an infringement of the copyright;

- causing a sound or television broadcast to be rebroadcast or transmitted in a diffusion service knowing that copyright subsists in the broadcast and that such re-broadcast or transmission constitutes an infringement of the copyright;
- causing programme-carrying signals to be distributed by a distributor for whom they were not intended in the knowledge that copyright subsists in the signals in question and that such distribution constitutes an infringement of copyright.

Taking all of the above together, it is clear that there are substantive differences between the nature of the acts leading to civil and criminal liability.

There is some similarity between acts of indirect infringement and acts of criminal infringement of copyright in regard to guilty knowledge. Guilty knowledge is a requisite for both, while guilty knowledge is not a requisite for direct infringement.

As indicated previously in terms of **the Competition Act**, this Act does not create criminal liability for infringement of intellectual property rights, but it does provide for the possibility of administrative penalties. There is also no difference in the acts for the imposition of administrative liability in terms of the Competition Act, and for the institution of a civil complaints procedure.

The **Merchandise Marks Act** makes provision for criminal sanctions for a variety of statutory crimes relating to false trade descriptions. The sanctions which a criminal court can impose include a fine or imprisonment or both, as well as the confiscation of the offending goods involved. The prejudiced party can apply to the civil court for an interdict to restrain repetition of the offence by the party who committed the offence.

The **Counterfeit Goods Act** provides both for criminal and civil liability. The acts which constitute criminal and civil liability are the same.

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting?

The acts of counterfeiting provided for in the **Counterfeit Goods Act**, 1997 can lead to both civil and criminal liability.

The acts are the following:

- possessing counterfeit goods or having them under one's control in the course of business for the purpose of dealing in them;
- manufacturing, making or producing counterfeit goods for a purpose other than for private and domestic use;
- selling, hiring, bartering or exchanging counterfeit goods or offering or exposing them for these purposes;
- exhibiting counterfeit goods in public for purposes of trade;
- distributing counterfeit goods for purposes of trade or for any other purpose to such an extent that the owner of the intellectual property right embodied in them suffers prejudice;
- importing counterfeit goods into or through South Africa, or exporting them from or through South Africa, except for the private and domestic use of the importer of exporter; or
- disposing of counterfeit goods in any other manner in the course of trade.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the criminal liability?

The prescription periods for civil and criminal liability differ from each other. The prescription period for civil liability is three years and for criminal liability thirty years. Where the protection for an intellectual property right lasts longer than the prescription period for criminal matters, for example in the case of copyright or trade marks, a complainant would theoretically still be able to lay a criminal charge up to thirty years after a criminal infringement, if the protection of the right had not lapsed at that time.

It is an interesting theoretical question in South African law as to the position when the prescription period is longer than the term of duration of the protection of the intellectual property right, i.e. whether the owner of an intellectual property right which has already expired would still be able to lay a criminal charge.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal person for acts of counterfeiting?*

In South African law provision is made for criminal liability for all legal personae, which include natural persons and corporate entities.

2.5 *Does the penal court which rules on the criminal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right, or is this function only the concern of a civil tribunal?*

The only aspect on which a criminal court has the ability to make a ruling is whether an offence has been committed or not. In South Africa, a matter can only be brought before the court if there is a *prima facie* case before the court, meaning that there is *prima facie* evidence before the court that a right has been infringed, and *prima facie* evidence that an offence has been committed. If the validity of the intellectual property right is challenged, there can no longer be a *prima facie* case before the criminal court. The criminal court itself has no jurisdiction to rule on issues of validity.

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant (accused) to the criminal proceedings in counterfeiting to ask for a stay of proceedings in order to seize the civil judge, or the patent office, for the appreciation of the validity of the right which is opposed to him?

It is important to note, that the South African Criminal Procedure Act No. 51 of 1977 does not make provision for a stay of proceedings; it does, however, make provision for postponements.

If a matter has already started in a criminal court, and the question of validity is raised, then there are a number of procedures that can be followed. Firstly, the party who is disputing the validity of the right (usually the accused) can apply to the court for a postponement, until such time as the matter has been ruled on upon by a civil court. Provision is made in the Criminal Procedure Act for postponements.

Secondly, a party can apply for a special review, in terms of Rule 53 of the Rules of the High Court, where it is provided that a party can ask a court that the matter must be postponed pending the outcome of a ruling by another court.

Thirdly, a party can ask that a matter go on normal review. This can happen during a trial or after a trial has been finalised. Normal review takes place in terms of section 304 of the Criminal Procedure Act 51 of 1977.

Therefore the position in South Africa is that national laws do not provide for a stay of criminal proceedings, but rather for a postponement of a criminal proceeding to conclude a dispute which arises during a criminal trial, and which the criminal court is not able to deal with.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

In terms of the **Copyright Act**, provision is made in section 27(6) for the following penalties:

- in the case of a first conviction, a fine not exceeding R5000 or imprisonment for a period not exceeding three years, or both, for *each article* to which the offence relates;
- in the case of further conviction, a fine not exceeding R10000 or imprisonment for a period not exceeding five years or both, for *each article* to which the offence relates.

In terms of the **Counterfeit Goods Act**, provision is also made in section 19(1) and 19(2) for the following penalties:

- in the case of a first conviction, a fine of a maximum of R5000 or imprisonment for a period of not more than three years, or both, for *each article* to which the offence relates;
- in the case of a subsequent conviction in terms of this Act, the maximum fine increases to R10000, and the maximum period of imprisonment increases to a period of five years;
- in the case of a subordinate offence, a fine of up to R1000, or imprisonment for a period not exceeding six months.

Section 19(3) of the Counterfeit Goods Act also provides that when the Court has convicted a person, and the Court is considering a sentence, the Court must take into account the following: any risk to human or animal life, health or safety or danger to property that may arise from the presence or use of the counterfeit goods in question.

In terms of the **Merchandise Marks Act** provision is made in section 20 for the following penalties:

- in the case of a first conviction of inter alia the following offences, namely applying false trade descriptions, the sale and hiring out of goods bearing false trade descriptions, etc. a fine not exceeding R5000 for *each article* to which the offence relates or imprisonment for a term not exceeding three years, or both such fine and such imprisonment;
- in the case of a subsequent conviction, a fine not exceeding R10000 for *each article* to which the offence relates or imprisonment for a period not exceeding five years or both such fine and such imprisonment.

In terms of the **Competition Act** provision is made for sanctions in section 74, as follows:

- in the case of a contravention of, or failure to comply with, an order of the Competition Tribunal, a fine not exceeding R500 000 or imprisonment for a term not exceeding 10 years, or both;
- in the case of any other offence in terms of the Competition Act, a fine not exceeding R2000 or imprisonment for a period not exceeding six months, or both the fine and imprisonment.

As indicated previously, the Competition Act also provides (section 59) for administrative penalties to be imposed, which in the case of a contravention of the provisions regarding prohibited practices may not exceed 10% of the party's annual turnover during the preceding year, taking into account factors such as:

- the nature, duration, gravity and extent of the contravention;
- the behaviour of the perpetrator;
- the circumstances in which the contravention took place;
- whether the perpetrator committed previous contraventions.

Are the courts that impose the criminal sanctions also qualified to allocate damages in repair of the damage suffered by the victims of the acts of counterfeiting, or is this question only the concern of the civil courts?

No provision is made for criminal courts to award damages to victims (complainants) in repair of the damage suffered by them because of the acts of counterfeiting. Awards of damages are therefore a question and concern for and of the civil courts.

In terms of the **Counterfeit Goods Act**, both criminal and civil courts may order delivery up of the counterfeit goods by the perpetrator to the owner of the intellectual property right (section 10(1)(a)).

Furthermore, where the claim of a claimant (for example, the owner of the intellectual property right) is dismissed, the unsuccessful claimant may be ordered by the court to pay compensation to the accused or respondent for any injury or prejudice caused (section 13 of the Counterfeit Goods Act).

- 2.7 *The groups are finally invited to give all practical information that is considered useful for the understanding of their legal system and in particular information concerning the person vested with the right to initiate a criminal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceeding by an agreement, etc.*

In terms of the **Copyright Act**, infringements of copyright shall be actionable by the owner of the copyright (section 24), or by an exclusive licensee or an exclusive sub-licensee, provided that before a licensee institutes proceedings, he must give notice to the owner of the copyright concerned (section 25). The owner may intervene in such proceedings. These licensees therefore have the same rights of action and are entitled to the same remedies as if the licence were an assignment, and those rights and remedies are concurrent with the rights and remedies of the owner of the copyright.

The provisions of sections 24 and 25 apply to civil actions. There are no provisions in the Act to determine who can lodge a complaint regarding the criminal infringement of copyright. It is presumed that at least the owner of the copyright and an exclusive licensee would be entitled to lodge a complaint with the police to institute a criminal procedure against an infringer.

In the **Counterfeit Goods Act**, section 3(1) provides that any person who has an interest in protected goods, whether as the owner or licensee of an intellectual property right, or as an importer, exporter or distributor thereof, or the duly authorised agent or representative or the attorney of any such person, who reasonably suspects that an offence has been committed or is likely to be committed by any person, may lay a complaint with an inspector.

The owner has been defined in the **Counterfeit Goods Act** as the person who has the capacity in law to enforce the intellectual property right in his or her own name.

The complainant must furnish information and particulars to the satisfaction of the inspector to the effect that the alleged counterfeit goods are *prima facie* counterfeit goods. The complainant must also furnish sufficient information and particulars as to the subsistence and extent of the relevant intellectual property right and his title or interest in to the right.

In terms of section 3(4) of the **Counterfeit Goods Act**, an inspector may also take appropriate steps on his own initiative in relation to any act or conduct which he believes or suspects to be an act of dealing in counterfeit goods.

The **Merchandise Marks Act** does not expressly provide who would be entitled to lodge a complaint to institute criminal proceedings in respect of contraventions of the Act. On the basis of general principles, any party with an interest in the matter, such as a rival trader, would be entitled to lodge a complaint.

In terms of the **Merchandise Marks Act** provision is made in section 4(1) that for an inspector who suspects that an offence in terms of this Act has been committed or is likely to be committed, or that preparations for the commission of an offence in terms of this Act are being made, to commence proceedings as prescribed in this Act on the authority of a warrant.

In terms of the **Competition Act**, provision is made in section 49B for the Commissioner to initiate a complaint against an alleged prohibited practice, and for any person to submit information concerning an alleged prohibited practice to the Competition Commission.

The burden of proof in criminal proceedings in the South African legal system is proof beyond a reasonable doubt.

There is no provision in the South African legal system to settle criminal proceedings by way of an agreement.

As already indicated, provision is made in the Copyright Act and the Counterfeit Goods Act for presumptions, but in the light of the South African Constitution Act, No. 108 of 1996, the validity of certain of these presumptions, particularly in criminal proceedings, is questionable. A number of presumptions which are included in the Criminal Procedure Act have been declared unconstitutional.

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country, etc.)

Unfortunately, no such information is available.

2.8 *In addition, the groups are also invited to describe the role of technical experts in the criminal procedure.*

And In particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the criminal offence

There is no legislative provisions in South African intellectual property legislation, e.g. the Copyright Act, the Counterfeit Goods Act or the Competition Act, expressly providing for evidence of technical experts in a criminal procedure. However, it is not uncommon for technical experts to be used in criminal proceedings in other areas of law. Furthermore, technical experts are regularly used in civil proceedings in the area of patents and trade marks.

Another way in which technical experts are sometimes involved in criminal proceedings, is by serving as assessors to assist the tribunal in assessing matters of technical evidence.

2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of intellectual property rights*

A proposal to consider the introduction, by way of legislative amendment, of criminal sanctions in regard to specific acts of infringement of patent and design rights has been placed on the agenda of the Advisory Committee of the Minister of Trade and Industry, within whose Ministry all intellectual property laws fall. However, such a possible legislative

amendment will first go through a consultation process, and no change to the law is expected within the near future.

3. Proposals for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonization at the international level

3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights including patents?*

It is submitted that in the case of patents, where infringement is a complex issue which can only be assessed by appropriately trained tribunals, and probably also in the case of designs, criminal liability should only arise once infringement has been found by an appropriate civil court (in South Africa, the Court of the Commissioner of Patents). This position is reinforced by the fact that issues of validity are usually raised by way of defence in infringement cases of patents and designs. Again an appropriately trained tribunal is required to assess and rule on issues of validity. In South Africa, the Court of the Commissioner of Patents has jurisdiction, as a court of first instance, to hear patent matters.

It is not clear what specific advantages are envisaged to be gained by having criminal liability in addition to civil liability. The most important objective of the owner of an intellectual property right in cases of acts of violation, is to put a stop to such acts. This can be achieved through a civil action by way of an interdict, with a lower level in the burden of proof. As a further objective, an award of damages is desired. Again this can be achieved by a civil action.

In the case of a criminal conviction, the penalty imposed is paid to the State and the intellectual property owner gets no financial benefit.

The only benefit of a criminal sanction in the context of South African law, would be that the prosecution will be done by the State, at the expense of the State, and not by the intellectual property owner. However, it is doubtful that this will entail a real benefit in view of the workloads and capacity shortages in the Department of Justice and National Director of Public Prosecutions.

If anything, the extent of damages recoverable by an intellectual property right holder once infringement has been proved and validity of the right upheld, could be widened. For example, provision could be made for punitive damages in the case of wilful infringement of patents and registered designs. This would provide a greater benefit to the right holder than penal sanctions.

3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights*

Although the majority of statutory offences in the area of intellectual property require intent as a requirement for criminal liability, there are some exceptions, e.g. the provision in section 2(2) of the Counterfeit Goods Act, that liability under the Act may arise where a person failed to take all reasonable steps in order to avoid a prohibited act.

Should this violation be deliberated?

Generally speaking, intent should be required. However, where intellectual property protected goods have not been marked (to serve as a notice to third parties of the existence of the intellectual property right) the requirement may be extended to include a failure to take reasonable steps to avoid any act or conduct which would amount to infringement.

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

Although the State (which generally deals with criminal prosecutions) should prove the various elements of the offence (including intent) beyond a reasonable doubt, the burden of proof can be shifted in appropriate cases by appropriate presumptions.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal process?*

Particularly in the case of patents, validity is a complex issue. In South Africa, criminal court tribunals do not have the expertise to assess and rule on validity. Furthermore, the South African Patents Act specifically provides that the Court of the Commissioner of Patents has jurisdiction, as the court of first instance, to hear patent matters. Accordingly, it is submitted that any finding in respect of criminal liability should be postponed until such time as a ruling on validity has been made by the appropriate civil court. In South Africa, as stated above, the court of first instance for patent matters is the Court of the Commissioner of Patents.

- 3.4 *The groups finally have to determine if the victim of counterfeiting (e.g. the owner of the intellectual property right) must be the master (dominus litis) of the criminal proceedings, i.e. introduce the proceedings and put an end to thereto, in particular by settlement?*

In South Africa, the State is dominant in all criminal proceedings where the State is prepared to prosecute, and even where the victim decides to settle the case, e.g. by withdrawing the complaint or charge, the State can continue with the prosecution.

However, there is also provision for a so-called private prosecution, where the victim itself can control the prosecution.

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

In South Africa documents from either the civil procedure or the penal procedure are approached with caution by the different tribunals, though the civil tribunals are more lenient towards evidence (which include documents) from criminal tribunals than the other way around.

The best way to regulate the issue is to enact a statute which stipulates all of the procedural regulations and requirements in regard to evidentiary value and use of evidence from other tribunals.

4. **Various**

The groups are invited to announce all other aspects of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines

International harmonisation of liability for acts of violation of intellectual property rights will be very important in regulating enforcement of intellectual property rights worldwide.

Spain
Espagne
Spanien

Report Q169

in the name of the Spanish Group
by Alejandro ANGULO LAFORA (Chairman), ANDEMA, Isidro-José GARCÍA EGEA,
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Criminal law sanctions with regard to the infringement of intellectual property rights

Article 61 of the TRIPS Agreement requires the Member States of the World Trade Organisation to establish criminal law sanctions for deliberate acts of infringement of trademarks and copyright.

Matters relating to criminal law sanctions for infringements of other industrial or intellectual property rights remain at the discretion of each member State of the World Trade Organisation. The TRIPS Agreement gives these countries the opportunity to establish criminal law sanctions where the acts which infringe these rights are intentional and on a commercial scale.

The implementation of the TRIPS Agreement in the various national laws was studied by the AIPPI in the context of question 134 "Implementation of intellectual property rights – TRIPS".

But the question of the criminal law sanctions of article 61 of the TRIPS Agreement was not discussed at the meeting of the Executive Committee in Vienna in 1997, nor during the debates of the AIPPI Congress in Rio de Janeiro.

In the same way the resolution on question 86 "Preventive measures against the counterfeiting of trademark products" which was adopted at the London Congress in 1986 recommended the intervention of the police and customs to uncover cases of trademark infringement, deal with them and contribute to their elimination.

With the exception of this recommendation, which is only used in cases of trademark infringement, the AIPPI has not adopted any position concerning criminal law sanctions for acts of infringement against industrial or intellectual property rights.

This is, thus, a new question for the AIPPI.

Due to the globalisation of the economy, acts of counterfeiting have a great impact on the holders of industrial or intellectual property rights and on the behaviour of the consumer.

Therefore the public interest, which gives shape to the application of criminal law sanctions in general, now justifies the criminalisation of acts of infringement of industrial or intellectual property rights.

It should be recognised that infringements of industrial or intellectual property rights involve a great variety of situations.

Although the various heads of industrial property have the same nature as they all consist of the exclusive exploitation of intangible property, their bases are different, and therefore the infringement of these rights will not take the same form and, finally, the mental element which generally characterises the offence will be very different depending on the infringement.

For this reason the harmonisation of the law on industrial and intellectual property requires the AIPPI to study the application of criminal law sanctions for infringements of the said rights.

It is quite possible that in many countries which follow the model of the market economy or of free enterprise the criminal law protection of industrial and intellectual property rights is unknown.

And it is possible that even in those countries which have a long tradition of the application of criminal law sanctions for infringements of industrial and intellectual property rights the holders of these rights use criminal proceedings as a last resort.

This is an example of how difficult it can be to put the criminal law protection of industrial and intellectual property rights into practice.

For this reason the question is of great interest to the AIPPI, as the Programme Committee recalled on presenting it at the Melbourne Congress in March 2001.

1. Introduction

The purpose of the question is to provide the members of the Association with a complete presentation of the various national groups of the AIPPI on the law of each country.

At the same time this information must be put in relation to the judicial rules and practices applicable to the case.

The groups must indicate which changes they would like to see introduced in their respective laws, based on the practical application of the same.

The study refers to all industrial and intellectual property rights and in particular: registered trademarks, patents, models and drawings, copyright, unfair competition and certificates of vegetable extracts.

2. Substantive law

The groups are invited to explain the legal system currently existing in their country, considering the application of criminal law sanctions for infringement of industrial or intellectual property rights.

- 2.1 In particular the groups are invited to indicate whether the provisions of article 61 of the TRIPS Agreement have been introduced into their respective national laws in relation to trademarks and copyright.

The criminal law protection contemplated in article 61 of the TRIPS Agreement does exist in the Spanish Criminal Code in matters of trademarks and copyright.

In both cases the said Code provides for penalties of imprisonment and fines in addition to the possibility of applying for the confiscation and destruction of the seized goods.

However, it should be noted that, in practice, in Intellectual Property matters, criminal action is reserved for cases in which the infringement is more evident.

Do the national laws provide for sanctions in cases of infringement of other industrial and intellectual property rights such as patents, models, unfair competition and others?

The Criminal Code currently in force confers criminal law protection on patents, utility models, registered designs (industrial models and drawings), denominations of origin, geographical indications and semiconductor topographies.

There are not however any criminal law sanctions to prevent acts of unfair competition (except the disclosure and revealing of secrets which may constitute an offence in relation to

the market and consumers) nor is there any criminal law protection of rights over vegetable extracts.

2.2 The groups are invited to set out the requirements of criminal liability for acts of infringement of industrial or intellectual property rights.

And more precisely does the said criminal liability require an element of specific intent?

The Spanish law requires the simultaneity of certain requirements of intentionality in order for infringements of industrial and intellectual property rights to amount to the commission of an offence.

These requirements vary depending on the right which is being infringed and also on the specific conduct carried out by the infringer.

In matters of copyright the Criminal Code requires for the conduct to amount to an offence that the offender act with a view to profit and in prejudice of third parties as regards all those who reproduce, plagiarise, distribute or communicate the artistic work without author's consent.

If the conduct carried out by the infringer of copyright consists of importing, exporting or storing then the mental element for the offence to exist consists of acting intentionally.

In matters of patents, utility models, industrial models or drawings and semiconductor topographies the infringement of these rights amounts to an offence provided those who manufacture, import, possess, use, offer or put on the market the infringing products act for industrial or commercial purposes, without the consent of the holder of the right and with knowledge of the fact of registration.

As regards trademarks and other distinctive signs, the mental element of the offence again depends on the infringing act carried out.

Thus where the action consists of reproducing, imitating, modifying or in any other way using the infringed sign the Criminal Code requires for an offence to have been committed that the infringing party acted with knowledge of the fact of registration.

Where the action consists of marketing or simply possessing in order to market the mental element required is that the accused acted knowingly.

Finally where the right infringed is a denomination of origin or a geographical indication the Criminal Code requires that the accused acted intentionally and also with knowledge of the existence of the legal protection with regard to the denomination of origin or geographical indication.

Who has the burden of proof concerning whether the requirement of intention is satisfied?

Is specific intent presumed or does it have to be proved?

The burden of proof is on the person who brings the accusation: i.e. the public prosecution (public prosecutor's office) and / or private prosecution.

It should be pointed out that circumstantial evidence is admissible so that in cases in which it is necessary for the accused to have had knowledge of the fact of registration it is possible for the court to conclude that this element of intention existed if, for example, the counterfeited trademark is well-known or the infringing party has a certain knowledge of the commercial sector in which he is acting or the product has been acquired in an irregular fashion.

- 2.3 The groups must also indicate if there are differences between acts of infringement depending on whether the liability in question is civil or criminal.

From a strictly objective point of view there are no differences, although some actions which may constitute an infringement in civil law do not constitute a criminal offence as will be seen below in this section.

The groups must indicate whether it is possible to incur both civil and criminal liability for the same acts of infringement.

From an objective point of view yes, but whether the facts amount to a criminal offence will depend on the definition of the mental element of the offence as referred to in section 2.2. above, which in turn depends on the infringing conduct in question. All infringements which constitute a criminal offence also give rise to civil liability but this is not necessarily so the other way about.

Is the configuration of these acts the same from the point of view of civil liability as from the point of view of criminal liability?

The configuration is in a certain way equivalent although the concept of infringement may be more restricted in criminal law than in civil law.

For example in trademark law the use of another person's trademark in advertising may be an infringement from the point of view of civil law without that same conduct being in principle a criminal offence.

In the area of patents the holder may in civil law prevent third parties from facilitating without his consent means essential and not currently available on the market for the practical application of the patented invention.

This infringement is not classified as an offence in the Criminal Code.

- 2.4 The groups must also indicate if their national laws provide for criminal proceedings to be brought against legal persons for acts of infringement.

Criminal liability can only be personal. In the case of legal persons their directors either in fact or by law are liable. The legal person is subsidiarily liable for damage and loss.

It is important to point out that even if the requirements or circumstances required for the offence are not present in them personally, the directors of legal persons are personally liable if those requirements or circumstances are present in the legal person.

- 2.5 Does the criminal court judging criminal liability for acts of infringement have jurisdiction to judge the validity of an industrial or intellectual property right, or does this fall within the exclusive jurisdiction of the civil courts?

Questions relating to the validity of an infringed right or whether it is still in force are considered by the criminal courts as a pre-trial issue.

The regulations on pre-trial issues in the Criminal Procedure Act do not refer to questions of the validity of industrial or intellectual property rights.

In light of the generic provisions of the Act the criminal court can "as a general rule" assess the validity or otherwise of the infringed right, but its assessment will only have effect in the criminal proceedings in question (article 3 Criminal Procedure Act). Only the civil courts have declarative powers in the sense of making decisions binding on third parties as to the validity of a right.

If the criminal court does not have jurisdiction to decide on the validity of an industrial property right nor, in consequence, to declare it to be a nullity, can the accused in criminal proceedings ask for them to be adjourned in order for a civil court, or if appropriate the national office of patents and trademarks, to decide on the validity of the allegedly infringed entitlement?

As has been indicated, according to the relevant legislative provisions the court may “as a general rule” extend its jurisdiction to pre-trial issues of a civil nature in cases in which such issues appear so linked to the punishable act that they are impossible to separate (article 3 Criminal Procedure Act).

However, the same provisions state (article 4) that if the pre-trial issue is determinant of the guilt or innocence of the accused the court must adjourn the proceedings until the appropriate court has made a decision.

- 2.6 The groups must indicate what penalties are provided for in their criminal law for acts of infringement of industrial or intellectual property rights.

Custodial sentences may be for between six and twenty-four months.

To this must be added the payment of a fine of a daily sum which is to be fixed by the court and which may consist of the payment of between two hundred pesetas (1·2 euros) and fifty thousand pesetas (300 euros).

In cases of particular seriousness (depending on the value of the illegally produced products or the significance of the damage caused) the Criminal Code provides for a higher penalty.

If the higher penalty is applied the punishment is between two and four years imprisonment and a fine of a stipulated daily sum for from eight to twenty-four months. In these cases there are also other related penalties such as disqualification from the carrying on of a specified profession or the temporary or even definitive closure of an establishment or factory.

The court can also order the publication of the judgment as a supplementary measure.

Do the criminal courts have jurisdiction to determine damage and loss caused to injured parties by acts of infringement or does this come within the jurisdiction of the civil courts?

Yes the criminal courts have jurisdiction to determine damage and loss.

- 2.7 Finally the groups are invited to provide all of the practical information they consider useful for a better understanding of their legal system and, in particular, information on standing to bring criminal proceedings, burden of proof of the infringement, possibility of out-of-court settlement, etc.

The groups are invited to submit statistical information, if such information exists, on the appeals which are available in criminal proceedings (length of proceedings, cost, number of cases brought).

In criminal proceedings for breach of industrial or intellectual property rights there is a requirement in order for proceedings to be held that the injured party file a complaint. This requirement for proceedings to be held does not apply in cases in which the offence affects (i) general interests or (ii) a number of persons.

If this requirement is satisfied (or if it does not apply due to the presence of either of the circumstances referred to above) both the injured party and the public prosecutor are entitled to bring proceedings.

The burden of proof is always on the person bringing the accusation, it being worthy of note that circumstantial evidence is admissible as has been indicated in the answer in section 2.2 above.

As regards the possibility of settlement, it should be pointed out that in criminal proceedings there is not in principle any possibility of settlement or negotiations on sentence. It is however possible for the private and public prosecutions to amend their conclusions at the oral trial and for the accused to indicate his acceptance of the highest of the penalties applied for. All of this means that in practice there are in fact agreements.

With respect to the contents of these agreements it should be pointed out that the parties can negotiate on the civil action (compensation for damage and loss). In criminal proceedings, as has been indicated, it is only possible for the accused to indicate his acceptance of the penalty applied for, although this penalty can be lowered by the prosecution in the course of the trial to the minimum legally provided for which in the case of offences against industrial and intellectual property is six months imprisonment and a fine.

It should also be pointed out that, in practice, if an agreement is reached between the injured party and the accused while the proceedings are still at the investigatory stage and the former withdraws the complaint the public prosecutor usually asks the proceedings to be discontinued.

- 2.8 The groups are also invited to explain the rôle played by experts in criminal proceedings. In particular with reference to whether expert reports can be used to demonstrate that the validity of a right is not obvious, and whether the fact that it is not obvious must in turn be taken into consideration in assessing the presence of the mental element of the offence.

The function of experts in criminal proceedings is to inform the court as to facts or circumstances relevant to the case and as regards which it is necessary or appropriate to have special scientific or artistic knowledge.

Expert reports can in principle refer to the presence of purely objective elements.

However in criminal proceedings for infringement of a patent the very fact that expert evidence is required to decide whether an action is or is not an infringement of a valid patent can lead to the presence of the mental element of the offence being called into question.

It should be pointed out that the purpose of expert evidence adduced in criminal proceedings is not usually to examine the validity of the rights infringed, except in cases of criminal proceedings for infringement of patents, models or drawings which are not common.

Most criminal proceedings concerning industrial property refer to counterfeiting of trademarks and in these cases the purpose of the expert evidence adduced is usually (i) to confirm that the products are not genuine and / or (ii) to assess the damage caused.

- 2.9 Finally the groups are invited to give their opinion as regards the convenience of acts of infringement of industrial or intellectual property rights being classified as criminal offences

In general terms it is considered convenient for there to be criminal law protection of industrial or intellectual property rights, although it is more advisable for some types of right than for others.

It should be emphasised that in addition to the convenience of certain types of conduct being classified as an offence, it is also convenient and necessary that a correct interpretation be carried out by the courts, with greater unification of criteria of interpretation and application of criminal offences being desirable.

3. Possible solutions for the future

On the basis of the evaluation of their respective legal systems, the groups are invited to formulate proposals for the future in relation to a process of international harmonisation in this area.

- 3.1 The groups are invited to take a position on the convenience of the classification as a criminal offence of the infringement of all industrial or intellectual property rights. Should classification as a criminal offence be extended to all industrial or intellectual property rights?

Classification as a criminal offence is positive in any event, given that it provides greater protection for the holder of a right of industrial or intellectual property. However in view of the specific features of each type of industrial or intellectual property, criminal law protection is thought more appropriate in the case of trademarks, copyright and designs than in the case of inventions.

- 3.2 The groups are invited to make observations on specific intent as a requirement for the incurring of criminal liability by those who infringe industrial or intellectual property rights.

The intentional element or specific intent must be a requirement for an infringement of industrial or intellectual property to be a criminal offence.

Should it be a requirement that the infringement be deliberate or intentional?

Should it be possible to presume the presence of intention on the basis of the nature of the infringement or should it always be proved by the injured party?

The presence of the subjective or intentional element of the offence does not necessarily have to be proved by way of direct evidence adduced by the prosecution, it can be proved by way of presumptions or circumstantial evidence. In particular in cases of breach of well-known trademarks the accused's knowledge of such a trademark must be taken as proved without the need for his knowledge to extend to questions of a legal nature such as for example the registration details of the trademark or trademarks in question.

- 3.3 Should the criminal court decide on the validity of an industrial or intellectual property right the alleged infringement of which is being dealt with in criminal proceedings, or should it leave the matter to be settled by the civil courts or if appropriate the national patents and trademarks office, adjourning the criminal proceedings to await the decision of the appropriate authority?

The adjournment of criminal proceedings to await a decision by the civil courts on the validity of the right on the basis of which the accusation has been brought should only take place to the extent that: (i) the validity of the right is determinant as regards the guilt or innocence of the accused, (ii) the request for an adjournment is not merely a delaying tactic on the part of the accused and (iii) the civil court is more specialised than the criminal court.

- 3.4 Finally the groups must determine if the party injured by the infringement must be the party with capacity to bring the criminal proceedings (i.e. initiate and put an end to the proceedings, in particular by way of an out-of-court settlement)

Yes, it would be convenient for the injured party (this term being understood in the sense of the holder of the right or the exclusive licensee) to have capacity to initiate the corresponding criminal proceedings without the need for the filing of a complaint. The public prosecutor should also be obliged to initiate and continue such proceedings in those cases in which the injured party, even if he has not brought a private prosecution, has filed a complaint at any time.

The possibility of settling and putting an end to the proceedings should correspond exclusively to the injured party.

Should a party injured by an infringement be able, especially in civil proceedings, to use the documentation from criminal proceedings and in particular evidence of alleged counterfeiting?

Yes, he should be able to.

4. Others

The groups are invited to refer to any other question not expressly mentioned in the guidelines and which has arisen out of the analysis of the questions raised.

Taking into consideration the pioneering nature of the question, the AIPPI wishes to benefit from the experience of the national groups, even if some situations may be exceptional, in order if necessary to transfer it to international level.

On the basis of current experience of the application of the rules by the Spanish criminal law courts the following questions should be taken into consideration:

- a) Some judges take the view that no offence of trademark counterfeiting is committed where, despite the existence of an exact reproduction of the injured party's trademark, there is not thought to be any error on the part of the consumer as certain circumstances (very low price, sale in stallholders' market or poor quality counterfeiting) mean that the consumer cannot think he is acquiring the genuine product.

Bearing in mind that the legal interest protected in this type of offence is a specific type of property right (industrial or intellectual property) and not the rights of consumers, it is submitted that error on the part of the consumer should be irrelevant for the purposes of establishing if the trademark infringement constitutes an offence.

- b) Another interesting question is the intervention of the public prosecutor's office during the investigation stage of the proceedings. This intervention is almost non-existent. Greater involvement on the part of the public prosecutor's office in this phase of the proceedings would be desirable.
- c) More detailed provision is needed on the destruction of seized infringing goods. Specifically it would be appropriate if the Criminal Code provided at least the following:
 - c-1 That where the falsity of the goods is clear from the beginning of the criminal proceedings (e.g. if the person complained against acknowledges it and argues in his defence that it was not intentional, etc.) the court may order the destruction of the goods from that time, without having to wait for the end of the proceedings. This would avoid the injured parties or the public purse having to pay storage costs.
 - c-2 That the alternatives to the destruction of the infringing products such as delivery to charitable or other similar organisations can only be ordered (i) if there is consent on the part of the holder of the infringed right or (ii) if the court which orders this is in a position to guarantee that the infringing products cannot re-appear on the market in any way and that the distinctive signs will be removed from the products without any cost to the injured party.

Sweden
Suède
Schweden

Report Q169

in the name of the Swedish Group
by Håkan BORGENTHÄLL, Mattias CARLQUIST, Lars EDMAN
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Criminal law sanctions with regard to the infringement of intellectual property rights

2. Substantive Law

2.1 Compliance with Article 61 of the TRIPS Agreement

Criminal Sanctions Regarding Trademark Counterfeiting and Copyright Piracy

Under Swedish law, trademark counterfeiting as well as copyright piracy may be punished by fines or by imprisonment, Section 53 of the Copyright Act and Section 37 of the Trade-mark Act. The maximum term of imprisonment is two years, please see further under 2.6 below.

With respect to computer programs, reproduction for private use is now prohibited under the Copyright Act. Nevertheless, the reproduction for private use of computer programs, which have been published or copies of which have been distributed with the consent of the originator, is exempted from criminal liability in case the original is not used commercially or in public and the copies made are not used for other purposes than private use. Bearing in mind that Article 61 of the TRIPS Agreement only deals with copyright piracy on a commercial scale, the Swedish exemption should not be regarded as non-compliance with Article 61.

Criminal Sanctions Regarding Other Intellectual Property Rights

Not only trademark and copyright infringement could be subjected to fines or imprisonment. The same penal sanctions, i.e. fines or imprisonment for not more than two years, may also apply to infringements of other intellectual property legislation, please see Section 57 of the Patents Act, Section 18 of the Trade Names Act, Section 9:1 of the Plant Breeders' Protection Act, Section 35 of the Design Protection Act and Section 9 of the Semiconductors Act.

It should further be noted that the previous Swedish Marketing Practices Act also contained criminal sanctions. In the current Marketing Practices Act the criminal sanctions have been removed. However, a violation of the Act may result in a monetary sanction referred to as market interference fee.

Access to Criminal Sanctions

One issue that could be regarded as a difficulty in upholding the respect for the industrial property rights is the limited possibility for the prosecutor to bring actions regarding violations. For further details in this regard, please refer to 2.7 and 2.9 below.

Other Measures

Other measures which may be ordered by the court are precautionary measures such as alteration and destruction. For such precautionary measures to be available, it is sufficient that the objective criteria for an infringement are fulfilled, and these measures do not constitute criminal law forfeiture. Furthermore, the court may prohibit continued infringement under the penalty of a fine. In relation to criminal liability, the Code of Judicial Procedure also

allows a search of premises, provided that the reason for the search outweighs the intrusion inflicted upon the suspect. In addition, a possibility to carry out a civil law search of premises (infringement investigation) has recently been introduced into the intellectual property legislation. Such a search may be carried out if it can be reasonably assumed that an infringement has taken place. Seizure is possible when it can be assumed that the infringement constitutes a crime.

Measures Regarding Tools Etc. Used in Relation to Infringements

The precautionary measures apply not only to goods which infringe the intellectual property rights but also to devices, tools etc. which have been used in relation to the infringement.

2.2 *Pre-requisites for Criminal Liability*

Objective Requirements

Penal liability requires firstly as an objective criterion that an infringement of a protected intellectual property right has taken place. The penal law principle *nullum crimen sine lege* is upheld by the Swedish Constitution as well as by Article 7 of the European Human Rights Convention. Technically, the penal liability is linked to the legal definitions of the scope of the sole rights given in the respective statutes. The objective criteria for infringement as such are the same for penal and civil liability.

Subjective Requirements

Secondly, for penal liability a special intentional element must always be fulfilled. There are as of today no provisions in force which impose a strict penal liability based solely on the infringement as such. The same intentional element applies to all protected intellectual property rights. It is formulated as a requirement that the infringing act must have been made either intentionally or by gross negligence.

In relation to criminal liability for garments infringing a copyright (RH 1995:128), intention and gross negligence have been explained in the following way. An intentional infringement takes place if the defendant is aware that he copies another product and realizes that the original product has such qualities that copying is prohibited. In order to be grossly negligent the defendant must have reason to believe that the original product might be protected by copyright and should have realized that his action constitutes an infringement of the right. However, negligence in this respect is not sufficient for criminal liability. Criminal sanctions may only be applicable in case the defendant is grossly negligent. Furthermore, he has a duty to investigate the origin of the product. This duty is extensive in case the producer does not carry out any actual creating and in case it may be suspected that copying is not unfamiliar to the producer (RH 1995:128). The duty to investigate the origin of the products as well as a duty for the defendant to inform himself about trends through magazines etc was established in NJA 1995 s 164 in relation to civil law liability for violation of copyright.

The possibility to hold somebody liable for gross negligence is considered to be important in relation to distribution of products which the defendant has received and intends to sale, especially as concerns trademarks and design. In such a case, the circumstances regarding the delivery may be such that the recipient reasonably must suspect that the goods have been produced illegally. The price may be unusually low or the goods may be of inferior quality. In case the recipient, in spite of the suspicion, does not take any measures and remains ignorant of the state of things he should be regarded as grossly negligent.

As concerns advice from technical experts, such advice would in certain cases probably be of importance in estimating whether gross negligence is at hand, please see further under 2.8 below. Regarding trademark infringement, the *La Copie* case (RH 1990:68) made it clear that the defendants had acted intentionally despite the fact that they had been advised that their actions should not constitute any infringement by a lawyer and by the Swedish Consumer Agency.

Burden of Proof

The fundamental penal law principle that the accused does not need to prove his innocence applies also to intellectual property right infringements. Hence, it is the party alleging a criminal infringement, who has the burden of proof in respect of both the objective criteria as well as the intentional element. This applies not only to actions taken by a public prosecutor, but also to actions by the intellectual property rights holder himself, which is possible in cases where the prosecutor for some reason does not find cause to prosecute.

As a matter of principle, the intentional element must be proven positively. However, depending on the facts of the specific case, it could be said that there sometimes exists a presumption of infringement by negligence.

Furthermore, a specific rule regarding the burden of proof seems to apply within the field of copyright. If it is shown that the plaintiff's work of art fulfils the requirements for protection and that the allegedly infringing product has a striking similarity, then it is for the defendant to show with a certain degree of probability that the allegedly infringing product was created independently from the plaintiff's work of art. It should however be noted that the case (NJA 1994 s 74) which established this rule concerned civil law liability, and it is not obvious that the same rule would apply under criminal law, where the burden of proof never falls on the defendant. However, the end result might be similar because of the negative inference drawn from a failure by the defendant to offer an adequate explanation.

2.3 *Differences between Civil and Criminal Law Liability*

Objective Requirements

As already set forth under 2.2 above, the objective requirements are the same for civil and criminal liability.

Subjective Requirements

As concerns the subjective requirements for criminal liability, the intellectual property acts require the infringement to be either intentional or made by gross negligence, please see further under 2.2 above.

Regarding civil law sanctions, the general rule is that if the act was intentional or negligent, the injured party is entitled to compensation for the use of the intellectual property and for other damage resulting from the infringement. Under the Copyright Act, the injured party is also entitled to compensation for suffering and other detriment. In case the infringement is neither intentional nor negligent, the infringer is, if it is considered to be reasonable, liable to pay reasonable compensation. It should however be noted that under the Copyright Act the injured party is always entitled to reasonable compensation for the use of the intellectual property.

Liability for Legal and Natural Persons

A further difference between civil and criminal liability is that whereas only natural persons can be held responsible under criminal law a legal person can be held responsible under civil law. Thus, criminal liability could be asserted against a person representing a company at the same time as civil liability is invoked against the company.

Terms of Limitation

The term of limitation regarding criminal liability is five years from the date when the criminal act was committed.

Concerning civil liability legal action must be initiated within five years from the date when the act causing the damage took place, according to the acts on trademarks, patents, design, trade names and plant breeders' protection. Furthermore, these acts also contain a supplementary rule according to which a claim always may be brought within one year from the registration date. No special terms of limitation are stipulated regarding copyright and

semiconductors. Thus, the general term of limitation should be applicable, i.e. 10 years from the date when the act causing the damage took place.

Other Differences between Civil and Criminal Law Liability

Under criminal law there is a principle prohibiting double sanctions. Thus, criminal proceedings cannot be invoked against a person who has infringed a prohibition being subjected to a fine. Under civil law there is no corresponding rule prohibiting action for damages when other measures have been taken against the same person.

2.4 *Liability for Legal and Natural Persons*

Under Swedish law, a legal person cannot commit a crime and consequently a legal person cannot be subjected to criminal liability. Instead, one or more natural persons will be held responsible for a criminal offence. An intellectual property case which concerned a criminal infringement committed by a company is the *La Copie* case (RH 1990:68), in which two persons being shareholders and members of the board were found to be guilty of trademark infringement. In a case concerning criminal liability for copyright infringement (NJA 1985 s. 893), the culture editor who took the initiative in publishing an article was held liable together with the chief editor and publisher. As indicated in a case regarding civil law copyright infringement (NJA 1986 s. 702), in the first place, the person actually carrying out the infringing act should be held liable.

Nevertheless, the Penal Code stipulates that a company may be subjected to a corporate fine in case a crime has been committed in the context of a commercial activity. Such a claim must be initiated by the public prosecutor. It should however be noted that so far, such a corporate fine has never been issued in relation to intellectual property rights.

2.5 *Validity of Intellectual Property*

The courts which deal with issues of criminal infringement, also have jurisdiction over civil matters. Problems may however arise because of the rules regarding proper legal fora. For instance, under civil law, a counterclaim regarding invalidity may be entered in the same court as the main claim but can also be made as an independent claim in the court of the right holder's domicile.

In relation to criminal law, an action is normally brought in the court where the criminal action took place. If the validity of the IP-right is questioned by the defendant, the further handling of the matter is dependent on whether the objection to the validity of the IP-right concerns a registered IP-right or, on the other hand, an unregistered IP-right, whether or not that right is one which is capable of being registered. For instance, in Sweden trademarks are protected either by registration or by a certain degree of use, and no registration procedure is available for copyright protection.

The court handling the criminal action would have to consider the validity of a non-registered right within the framework of the criminal proceedings. Indeed, this would be the case even if the defendant did not question the validity of the right as such. However, within the framework of the criminal proceedings, the court should not start to evaluate the validity of a registered IP-right. If the validity of such a right is questioned by the defendant, the prosecutor or the court should inform the defendant of the possibility of bringing a civil action seeking to revoke the registration. If the defendant institutes civil proceedings, the court handling the criminal action must stay the criminal proceedings.

The civil action should be brought in the court of the rights holder's domicile. Such a claim is not possible to be regarded as counterclaim in the criminal case. It should however be noted that this problem will not arise in relation to patents since the Patents Act vests the Stockholm District Court with exclusive jurisdiction over both infringement and validity actions.

2.6 *Precise Criminal Sanctions*

As already indicated under 2.1 above, the criminal sanctions for infringement of intellectual property rights include fines or imprisonment for a maximum of two years. However, it is to be noted that the defendant will normally not be sentenced to more than a few months' imprisonment. As concerns the industrial property rights, the maximum term was changed from six months to two years in 1994. This amendment was not intended to make the sanctions in general more severe, but rather to enable the courts to pronounce more severe sentences in cases of really serious infringement. Furthermore, the increased maximum time of imprisonment makes it possible to apply longer terms of limitation and certain means of compulsion, for example detention, which require penalties of a certain level.

Although an intellectual property infringement can lead to both civil and criminal liability it has been argued that criminal sanctions should be regarded as the only appropriate remedy in cases of professional criminality. Counterfeiting and piracy has resulted in criminal sanctions in several cases, for example in the Bootleg case (NJA 1984 s. 34) regarding copyright and in the *la Copie* case (RH 1990:68) regarding trademarks. In the case RH 1996:158 regarding copyright infringement (video films), the sentence of the Court of Appeal was two months' imprisonment for infringement of copyright. The Court made it clear that a fine would not be sufficient in that case, which concerned a commercial and organized activity. In a recent case a serious trademark infringement being part of an organized activity on a large scale resulted in four months' imprisonment (Svea Court of Appeal 2001-11-19, case no B 5377-00). However, infringements of intellectual property which are neither very severe nor "professional" will probably result only in a fine or possibly in a suspended sentence.

Damages in Connection with Criminal Liability

For practical reasons, the Swedish Code of Judicial Procedure allows a claim for civil damages to be made in connection with the criminal proceeding. In case such joint handling would be inconvenient, the claim for damages may however be separated from the criminal trial and thus be dealt with as a civil claim.

2.7 *Additional Information on the Swedish Legal System*

Initiation of Criminal Procedure

An action for penal sanctions can be brought by the public prosecutor as well as by the holder of intellectual property rights and his licensees. There are, however, some restrictions for the public prosecutor to initiate a legal action. Thus, the public prosecutor must be able to show that prosecution is in the public interest to a specific degree. A difference is furthermore to be noted between copyright on the one hand and industrial property rights on the other hand.

In copyright cases, the public prosecutor may only bring action if either the intellectual property rights holder reports the infringement for prosecution or if prosecution is called for in the public interest. In respect of infringements of industrial property rights the limitations are more extensive, inasmuch as the public prosecutor may only bring action if the intellectual property rights holder reports the infringement for prosecution **and** prosecution for special reasons is in the public interest. Both criteria must be fulfilled. Thus, as regards infringements of industrial property rights the instigation of the intellectual property rights holder is mandatory. Furthermore the public interest must be especially pronounced. Nevertheless, recent governmental reports (SOU 2001:26 and SOU 2001:68) suggest that the requirement of special reasons shall no longer apply in relation to trademark and design.

Another procedural requirement applies to actions for penal liability in case of infringement of industrial property rights brought by licensees. In such cases it is mandatory for the licensee to notify the industrial rights holder of his intention to bring an action. If such notice is not made the court is prevented from hearing the case. This requirement applies to all protected industrial property rights with the exception of trade names. The reason for the exception is that trade names must follow the business and consequently can be transferred only together with the business. The procedural requirement does not apply to copyright and semi-conductors.

Burden of Proof

Please refer to 2.2 above.

Settlement by Agreement

The possibilities for the parties to terminate the proceedings by agreement differ between actions brought by the public prosecutor on the one hand and by intellectual property rights holders on the other hand. Once the public prosecutor has initiated an action he may only withdraw the charges if he finds that the cause for taking action in the first place no longer exists. He is not allowed to make a settlement with the defendant. By contrast, the intellectual property rights holder can always settle the matter by way of agreement if he has brought a private action.

Statistics

No detailed statistical information is available. By way of general information it should be noted that whereas precautionary measures can be obtained quickly, a trial on the merits is a rather drawn-out process and may take approximately one and a half year before judgment is pronounced. The costs will depend on whether prosecution is made by the public prosecutor or by the rights holder. In the latter case, the costs may amount to approximately 5,000 USD. The number of cases regarding counterfeiting is around 4-5 cases per year.

Additional Information

Finally, it should be added that in accordance with EC Council Regulation 3295/84 Swedish Customs have the powers to suspend release of counterfeit or pirated goods or detain such goods. Furthermore, Regulation 3295/94 also entitles the rights holder to receive information regarding the name and address of the declarant.

2.8 *Technical Experts*

The role of technical experts would not be much different in penal proceedings as compared with civil proceedings. Their procedural status and the rules of evidence are the same. However, it would of course be more difficult to prove the infringement if the intellectual property right is weak or uncertain.

In the *La Copie* case (RH 1990:68), the Court of Appeal made it clear that advice from a lawyer and from the Swedish Consumer Agency to the effect that no infringement would take place provided that consumers were informed about the fact that the products were copies, could not free the defendant from liability. However, in respect of advice from technical experts on issues such as patent claim interpretation and validity, consultations in advance of actions, that objectively would be found to infringe, would probably sometimes be of importance in estimating whether gross negligence is at hand.

It should also be observed that in cases regarding patent infringement the court of first instance shall consist of two or three professional judges and two or three technical experts. If the case reaches the Court of Appeal, the court shall consist of three to five professional judges and two to three technical experts. The Court of Appeal may however dismiss the technical experts if their participation is not considered to be necessary.

2.9 *General Opinion Regarding the Criminal Sanctions*

As noted above, the public prosecutor may only bring an action for infringement of industrial property rights if the rights holder reports the infringement for prosecution and prosecution for special reasons is in the public interest. This rule effectively constitutes a limitation on the possibility to make use of the criminal sanctions in the acts on industrial property rights. For example, it seems very unlikely that a prosecutor would prosecute in cases which do not concern identical or almost identical copies. Thus, issues such as the scope of the protected rights and the criteria regarding relevant differences are not likely to be considered in court.

Therefore, the rules related to prosecution could be said to function as a *de facto* limitation of bringing criminal actions.

As mentioned above, it is however possible that the requirement of *special reasons* for prosecution will be abolished in relation to trademark and design. Such an amendment would obviously increase the prosecutor's possibilities to prosecute. In this context it should also be observed that the rights holder has a possibility to bring a private action, but he will have limited access to enforcement and other measures that are available to the police and the prosecutor.

In addition, it also deserves to be mentioned that there are currently very few prosecutors in Sweden with experience of intellectual property law. It has been suggested that, in order to increase the effective use of criminal sanctions, the investigations should be entrusted to a specific prosecution office. However, the resources would then have to be taken from other functions. Again, it could be argued that such a redistribution of resources is not motivated because the rights holders have a possibility to enforce their rights through the civil law system.

3. Proposals for Solutions for the Future

3.1 *Should Criminal Sanctions Apply to All Intellectual Property Rights?*

Yes, and that is already the principle applicable in Sweden.

However, as already noted above under 2.1 and 2.4 there is also a possibility to subject a company to a corporate fine or a market interference fee. Since no corporate fine has been issued so far in relation to intellectual property infringements, the Swedish group would welcome a possible future development to include a market interference fee.

3.2 *Remarks Regarding the Intentional Element*

As a starting point, the intentional element should be a condition for penal liability. Since 1994 in the Swedish Intellectual Property Law penal liability has also included gross negligence.

As a general principle, in criminal cases the burden of proof should not lie with the accused. Hence, it is the person who alleges that a criminal infringement has taken place, who has the burden of proof for the intentional/gross negligence elements.

It should be kept in mind that the principle of "beyond reasonable doubt" should be applicable in all criminal cases. The nature of the infringement could be one circumstance taken into account in determining if this standard of proof has been reached.

3.3 *Should Validity be Considered in a Criminal Court or in a Civil Court?*

Various aspects, which are connected with this specific question, have been elaborated on under Section 2.5.

If the validity of a registered IP-right is questioned by the defendant, and the defendant decides to bring a civil action claiming the revocation of the right, the court has to stay the proceedings. This method of handling the matter is explicitly provided for in Chapter 32, section 5 of the Swedish Code of Judicial Procedure: "*if it is of extraordinary importance for the adjudication of a case that an issue sub justice in another court proceeding, or in a proceeding of another kind, be determined first or another impediment to trial of considerable durations is encountered, the court may order a stay of proceedings pending removal of the impediment*".

Thus, when it comes to registered IP-rights, the defendant has to institute civil proceedings against the holder of the intellectual property right.

3.4 *The Victim's Role and Access to Evidence*

In criminal cases the prosecutor should be in control of the proceedings. However, for obvious reasons it will facilitate the proceedings if the person suffering from the infringement supports the prosecutor. As a general principle, the victim of the counterfeiting has access to evidence used in the penal procedure.

4. Various

Various aspects which are connected with the specific questions have been elaborated on under Sections 2 and 3 above.

Summary

Swedish law comprises rules on penal liability in respect of all traditionally accepted intellectual property rights. There are no penal sanctions as regards unfair competition. Infringements may result in monetary fines or imprisonment for up to two years. There are also rules regarding seizure, forfeiture and destruction of infringing goods as well as materials and implements used to achieve the infringement. Hence, Swedish law complies with article 61 of the TRIPS Agreement. Nevertheless, the difficulties for the prosecutor to bring actions within the field of industrial property, could be considered as a problem from the point of view of access to justice. The low rate of criminal actions might also be regarded as a consequence of the sanctions, which are relatively mild in an international comparison.

Résumé

Le droit suédois comprend des lois sur sanctions pénales concernant toutes les propriétés intellectuelles protégées de tradition. Il n'y a pas de sanctions pénales concernant la concurrence déloyale. Des contrefaçons peuvent résulter en des amendes ou emprisonnement jusqu'à deux ans. Il y a aussi des lois sur la saisie, la déchéance et la destruction des produits ainsi que des matériaux et des outils avec lesquels la contrefaçon a été exécutée. Donc, le droit suédois est compatible avec l'article 61 du Traité TRIPS. Cependant, les difficultés pour le procureur d'introduire des actions dans le domaine de la propriété industrielle pourraient être regardées comme problématique d'un point de vue de l'accès à la justice. Le niveau bas d'actions pénales pourrait aussi probablement être regardé comme une conséquence des sanctions, qui sont relativement bénignes en comparaison international.

Zusammenfassung

Das schwedische Recht enthält Regeln über strafrechtliche Verantwortlichkeit bezüglich alle allgemeine anerkannte immaterielle Güterrechte. Es gibt keine rechtliche Sanktionen im unlauteren Wettbewerb. Verletzungen können mit Geldstrafe oder Gefängnis bis zu zwei Jahre bestraft werden. Es gibt Bestimmungen über Beschlagnahme, Verwirkung und Vernichtung von in Beschlag genommenen Gütern, sowohl Güter als auch Zubehör das im Vertretung benutzt wird. Das schwedische Recht entspricht daher dem Artikel 61 des TRIPS Übereinkommen. Jedoch ist es ein Problem für den Staatsanwalt Anklage im Bereich des Immaterialgüterrecht zu erheben und dies ist daher ei Rechtsicherheitsproblem. Die niedrigen Anklageraten können möglicherweise auch durch die international vergleichbar geringen Sanktionen erklärt werden.

Rapport Q169

au nom du groupe Suisse
par François BESSE, Peter HEINRICH, Pierre-Alain KILLIAS,
Corsin BLUMENTHAL et Clarence FELDMANN

Les sanctions pénales relatives à la violation des droits de propriété intellectuelle

1. Quelles sont les bases légales?

Les bases légales du droit suisse sont les suivantes:

- a) La loi fédérale sur les brevets d'invention, du 25 juin 1954 (LBI; Recueil systématique du droit fédéral (RS) 232.14)¹;
- b) La loi fédérale sur la protection des marques et des indications de provenance, du 28 août 1992 (LPM; RS 232.11)
- c) La loi fédérale sur les dessins et modèles industriels, du 30 mars 1900 (LDMI, RS 232.12)
- d) La loi fédérale sur la protection des obtentions végétales, du 20 mars 1975 (LPOV; RS 232.16)
- e) La loi fédérale sur le droit d'auteur et les droits voisins, du 9 octobre 1992 (LDA; RS 231.1)
- f) La loi fédérale sur la protection des topographies de produits semi-conducteurs, du 9 octobre 1992 (LTop; RS 231.2)
- g) La loi fédérale contre la concurrence déloyale, du 19 décembre 1986, (LCD; RS 241)
- h) Les articles 155 et 326 ter du Code pénal (CP).

2. Le droit positif

2.1 *Les dispositions de l'article 61 du Traité TRIPS ont elles été introduites dans la législation nationale en ce qui concerne les marques et les droits d'auteur?*

D'une manière générale, on peut admettre que les lois sur les marques et sur le droit d'auteur, qui datent toutes deux de 1992, respectent les exigences découlant de l'article 61 de l'Accord sur les aspects des droits de propriété intellectuelle qui touchent au commerce (TRIPS).

S'agissant du droit des marques, les articles 61 et suivants LPM prévoient des sanctions pénales pouvant aller jusqu'à l'emprisonnement pour un an au plus ou l'amende jusqu'à CHF 100'000.- au plus pour sanctionner les actes de violation du droit à la marque (art. 61 LPM), d'usage d'une marque de garantie ou d'une marque collective en contravention aux

¹ Toute la législation fédérale est disponible sur Internet, sur le site www.admin.ch, sous la rubrique "Recueil systématique".

dispositions du règlement (art. 63 LPM) et d'usage d'indications de provenances inexactes (art. 64 LPM). En cas d'usage frauduleux de la marque (art. 62 LPM), la peine sera l'emprisonnement sans indication d'un maximum ou l'amende jusqu'à CHF 100'000.-. L'article 36 du Code pénal précise à cet égard que la durée de l'emprisonnement est de trois jours au moins et, sauf disposition expresse et contraire de la loi, de trois ans au plus.

En ce qui concerne le droit d'auteur, les actes de violation des droits d'auteur (art. 67 LDA) et des droits voisins (art. 69 LDA) sont passibles de peines d'emprisonnement jusqu'à un an ou de l'amende, sans spécification du montant maximal.

Des règles particulières existent lorsque l'auteur de l'infraction agit par métier, c'est-à-dire lorsqu'il exerce son activité à titre professionnel². Dans un tel cas en effet, l'infraction sera passible de l'emprisonnement et de l'amende jusqu'à CHF 100'000.- en présence d'une violation du droit à la marque (art. 61 LPM), d'usage d'une marque de garantie ou d'une marque collective en contravention aux dispositions du règlement (art. 63 LPM) et d'usage d'indications de provenances inexactes (art. 64 LPM), ou encore pour les actes de violation des droits d'auteur (art. 67 LDA) et des droits voisins (art. 69 LDA). En cas d'usage frauduleux au sens de l'article 62 LPM, la peine sera même l'emprisonnement jusqu'à cinq ans au plus et l'amende.

Les articles 68 LPM et 72 LDA, ce dernier interprété *a contrario*, renvoient à la réglementation du Code pénal en ce qui concerne la confiscation. L'article 68 LPM précise toutefois, ce en dérogation à la réglementation générale découlant du Code pénal, que le Juge peut ordonner la confiscation de tout l'objet sur lequel une marque ou une indication de provenance est apposée³. L'article 58 du Code pénal prévoit la confiscation des objets "qui ont servi ou devaient servir à commettre une infraction, ou qui sont le produit d'une infraction, si ces objets compromettent la sécurité des personnes, la morale ou l'ordre public". Cette disposition est applicable alors même qu'aucune personne ne serait punissable.

Les lois nationales prévoient-elles des sanctions pénales en cas d'atteinte à d'autres droits de propriété intellectuelle, tels que brevets, dessins et modèles, concurrence déloyale etc.?

Les autres lois de propriété intellectuelle prévoient toutes des sanctions pénales en cas d'atteinte aux droits. Il s'agit des textes suivants:

- a) **Droit des brevets:** Selon l'article 66 LBI, sont passibles des poursuites tant civiles que pénales les actes de violation du droit au brevet, soit l'utilisation illicite de l'invention brevetée - l'imitation étant considérée comme une utilisation -, le refus de déclarer à l'autorité compétente la provenance des produits fabriqués illicitement et qui se trouvent en sa possession, le fait d'enlever, sur le produit ou son emballage, le signe du brevet sans le consentement de l'ayant droit, ainsi que le fait d'inciter un tiers à commettre l'un de ces actes, d'y collaborer, d'en favoriser ou d'en faciliter la commission.

² Selon le Tribunal fédéral, l'auteur de l'infraction agit à titre professionnel lorsqu'en raison du temps et des moyens consacrés à son activité délictueuse, ainsi que de la fréquence des actes pendant une période donnée et des revenus espérés ou obtenus, il ressort qu'il exerce son activité délictueuse à la manière d'une profession, espérant ainsi en retirer des revenus relativement réguliers contribuant de façon non négligeable à la satisfaction de ses besoins (Arrêts du Tribunal fédéral (ATF) 116 IV 319).

³ Il est à relever que, curieusement, ce renvoi fait référence à l'ancien texte de l'article 58 du Code pénal, texte qui a été modifié par une loi du 18 mars 1994, entrée en vigueur depuis le 1^{er} août 1994. L'ancien article 58 alinéa 2 – auquel se réfère en réalité l'article 68 LPM – avait la teneur suivante: "Lorsque les conditions fixées au 1^{er} alinéa ne sont remplies que pour certaines parties d'un objet, ces parties seules seront confisquées s'il est possible de les en séparer sans l'endommager gravement et sans dépense disproportionnée". C'est dire que la dérogation mentionnée à l'article 68 LPM n'a plus aucune raison d'être et aurait pu et dû être abrogée lors d'une révision ultérieure de la loi.

- b) **Droit des dessins et modèles:** Les dispositions de la loi fédérale sur les dessins et modèles industriels sont très similaires. En effet, sont passibles des poursuites pénales ou civiles, en vertu de l'article 24 LDMI, la contrefaçon ou l'imitation du dessin ou du modèle déposé, la vente, la mise en vente ou en circulation, ou encore l'importation en Suisse de produits contrefaits ou imités sans droit, la coopération à la commission de ces infractions, ou le fait d'en favoriser ou d'en faciliter l'exécution, ainsi que le refus de déclarer à l'autorité compétente la provenance d'objets contrefaits ou imités.
- c) **Droit des obtentions végétales:** La loi fédérale sur la protection des obtentions végétales prévoit des dispositions pénales en cas de violation des dispositions relatives à la protection des variétés (art. 48 LPOV)⁴ et de publicité fallacieuse (art. 49 LPOV)⁵.
- d) **Droit d'auteur:** Les sanctions pénales découlant de la loi fédérale sur le droit d'auteur s'appliquent aux infractions suivantes:
- la violation du droit d'auteur, soit le comportement, intentionnel et sans droit, de celui qui utilise une œuvre sous une désignation fautive ou différente de celle décidée par l'auteur; divulgue ou modifie l'œuvre; utilise une œuvre pour créer une œuvre dérivée; confectionne des exemplaires d'une œuvre par n'importe quel procédé; propose au public, aliène ou, de quelque autre manière, met en circulation des exemplaires d'une œuvre; récite, représente ou exécute une œuvre, directement ou par n'importe quel procédé ou la fait voir ou entendre en un lieu autre que celui où elle était présentée; diffuse une œuvre par la radio, la télévision ou des moyens analogues, soit par voie hertzienne, soit par câble ou autres conducteurs ou l'aura retransmise par des moyens techniques dont l'exploitation ne relève pas de l'organisme diffuseur d'origine; fait voir ou entendre une œuvre diffusée ou retransmise; refuse de déclarer aux autorités compétentes la provenance des exemplaires d'œuvres confectionnées ou mis en circulation de manière illicite et qui se trouvent en sa possession; ou, enfin, loue un logiciel (art. 67 LDA).
 - Le fait d'omettre de mentionner, dans les cas requis par la loi - citations d'œuvres (art. 25 LDA) ou comptes rendus d'actualité (art. 28 LDA) -, la source utilisée et l'auteur, pour autant qu'il soit désigné (art. 68 LDA).
 - La violation des droits voisins, soit le fait de diffuser la prestation d'un artiste interprète par la radio, la télévision ou des moyens analogues, soit par voie hertzienne, soit par câble ou autres conducteurs; la confection des phonogrammes ou vidéogrammes de telles prestations ou encore l'enregistrement

⁴ L'article 48 al. 1^{er} LPOV a la teneur suivante: "Celui qui, sans droit, produit à des fins commerciales du matériel de multiplication d'une variété protégée, l'offre ou fait métier de le vendre, celui qui, sans droit, utilise de façon continue du matériel de multiplication d'une variété protégée en vue de la production de matériel de multiplication d'une nouvelle variété, celui qui, sans droit, utilise des plantes ou parties de plantes d'une variété protégée, habituellement mises en vente à d'autres fins que la multiplication, pour produire professionnellement des plantes ornementales ou des fleurs coupées, celui qui, sans droit, fait métier de vendre des plantes ornementales ou des fleurs coupées d'espèces pour lesquelles la protection a été élargie, au sens de l'article 13, 2^e alinéa, au produit commercialisé, est, s'il agit intentionnellement, puni sur plainte du lésé, de l'emprisonnement pendant une année au plus ou de l'amende."

⁵ Est passible de l'amende, selon cette disposition, celui qui, dans la publicité, sur ses papiers d'affaires ou, lors de la commercialisation de produits, donne des indications qui peuvent faire croire à tort que ce produit est protégé, ou celui qui n'utilise pas la dénomination de la variété lorsqu'il fait métier de vendre le matériel de multiplication d'une variété protégée, ou encore celui qui, pour une autre variété de la même espèce botanique ou d'une espèce similaire, utilise dans son activité professionnelle la dénomination variétale d'une variété protégée ou une dénomination prêtant à confusion avec elle, ou enfin celui qui enfreint de toute autre manière la loi sur la protection des obtentions végétales ou ses dispositions d'exécution.

de celles-ci sur un support de données; le fait de proposer au public, d'aliéner ou, de quelque autre manière, de mettre en circulation des copies d'une telle prestation; la retransmission d'une prestation par des moyens techniques dont l'exploitation ne relève pas de l'organisme de diffusion d'origine; le fait de faire voir ou entendre une prestation diffusée ou retransmise; de reproduire un phonogramme ou un vidéogramme, ou encore de proposer au public, aliéner ou, de quelque autre manière, mettre en circulation les exemplaires reproduits; de retransmettre une émission; de confectionner des phonogrammes ou des vidéogrammes d'une émission ou enregistrer celle-ci sur un autre support de données; de reproduire une émission enregistrée sur un phonogramme, un vidéogramme ou un autre support de données ou, de quelque autre manière, mettre en circulation de tels exemplaires; de refuser de déclarer aux autorités compétentes la provenance d'un support sur lequel est enregistrée une prestation protégée au titre des droits voisins; de confectionner ou mettre en circulation de manière illicite et se trouvant en sa possession (art. 69 LDA).

- L'exercice illégal de droits, soit le fait de faire valoir des droits d'auteur ou des droits voisins dont la gestion est placée sous surveillance fédérale sans être titulaire de l'autorisation requise (art. 70 LDA).

- e) **Droit des topographies de produits semi-conducteurs:** Est punissable en vertu de l'article 11 LTop quiconque aura, intentionnellement et sans droit, copié une topographie, par n'importe quel moyen et sous quelque forme que ce soit; proposé au public, aliéné, loué, prêté ou, de quelque autre manière, mis en circulation une topographie ou l'aura importée à ces fins; ou encore aura refusé de déclarer aux autorités compétentes la provenance des objets qui ont été produits ou mis en circulation de manière illicite et qui se trouve en sa possession.
- f) **Droit de la concurrence déloyale:** L'article 23 LCD précise que les actes de concurrence déloyale décrits aux articles 3, 4, 5 ou 6 de la loi sont passibles de l'emprisonnement ou de l'amende jusqu'à CHF 100'000.-, lorsqu'ils ont été commis intentionnellement. Constitue en particulier un acte de concurrence déloyale au sens de l'article 3 LCD le fait de donner des indications inexacts ou fallacieuses sur soi-même, son entreprise, sa raison de commerce, ses marchandises, ses œuvres, ses prestations, ses prix, ses stocks, ses méthodes de ventes ou ses affaires ou d'avantager des tiers par rapport à ses concurrents par de telles allégations (b); le fait de prendre des mesures qui sont de nature à faire naître une confusion avec les marchandises les œuvres, les prestations ou les affaires d'autrui (d); ainsi que le fait de comparer, de façon inexacte, fallacieuse, inutilement blessante ou parasitaire sa personne, sa marchandise, ses œuvres, ses prestations ou ses prix avec celles ou ceux d'un concurrent ou qui, par de telles comparaisons, avantage des tiers par rapport à ses concurrents (e), en particulier. L'article 4 LCD vise l'incitation à violer ou résilier un contrat, l'article 5 LCD l'exploitation d'une prestation d'autrui et l'article 6 LCD la violation des secrets de fabrication ou d'affaires⁶.

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Agit de façon déloyale selon l'article 4 LCD celui qui, notamment:

- a. Incite un client à rompre un contrat en vue d'en conclure un autre avec lui;
- b. Cherche à se procurer, ou à procurer à autrui, des profits, en accordant ou en offrant à des travailleurs, des mandataires ou des auxiliaires d'un tiers des avantages illégitimes qui sont de nature à inciter ces personnes à manquer à leurs devoirs dans l'accomplissement de leur travail;
- c. Incite des travailleurs, mandataires ou auxiliaires à trahir ou à surprendre des secrets de fabrication ou d'affaires de leur employeur ou mandant;
- d. Incite un acheteur ou un preneur qui a conclu une vente par acomptes, une vente avec paiements préalables ou un contrat de crédit à la consommation à révoquer ce contrat, ou un acheteur qui a conclu une vente avec paiements préalables à dénoncer celle-ci, pour conclure de son côté un tel contrat avec lui.

Agit de façon déloyale selon l'article 5 LCD celui qui, notamment:

- a. Exploite de façon indue le résultat d'un travail qui lui a été confié, par exemple des offres, des calculs ou des plans;

- g) **Code pénal:** Peut également être poursuivi pénalement, en vertu de l'article 155 du Code pénal, celui qui, en vue de tromper autrui dans les relations d'affaires, aura fabriqué des marchandises dont la valeur vénale réelle est moindre que ne le font croire les apparences, notamment en contrefaisant ou en falsifiant des marchandises, ou encore celui qui aura importé, pris en dépôt ou mis en circulation de telles marchandises. Il importe peu, pour que cette disposition trouve à application, que l'auteur falsifie une marchandise en falsifiant l'original, ou qu'il fabrique au contraire une copie de toutes pièces à partir de matières premières sans origine particulière. Pour que cette disposition puisse trouver application, il est nécessaire et suffisant que les apparences de la marchandise falsifiée laissent croire que sa valeur courante est supérieure à celle qu'elle a en réalité et créent ainsi un risque de confusion sur le marché.

Il convient également de signaler l'article 396 ter du Code pénal, qui punit des arrêts ou de l'amende celui qui, pour désigner une entreprise inscrite au Registre du commerce, aura utilisé une dénomination non conforme à cette inscription et de nature à induire en erreur; pour désigner une entreprise non inscrite au Registre du commerce, aura utilisé une dénomination trompeuse; ou, pour désigner une entreprise inscrite ou non au Registre du commerce, aura, sans autorisation, utilisé une dénomination nationale, territoriale ou régionale; ou, enfin, aura créé l'illusion qu'une entreprise étrangère non inscrite au Registre du commerce avait son siège ou une succursale en Suisse.

2.2 *Quelles sont les conditions de la responsabilité pénale pour les actes de contrefaçon des droits de propriété intellectuelle?*

Les conditions de la responsabilité pénale sont au nombre de trois:

- L'existence d'un acte punissable, qui constitue l'élément objectif de l'infraction;
- L'élément intentionnel, qui constitue l'élément subjectif de l'infraction;
- Selon le cas, l'existence d'une plainte;

1. **Les actes punissables**

Les infractions exposant leurs auteurs à des poursuites pénales visent en principe les mêmes faits que les agissements illicites civils. Il convient toutefois de souligner des approches différentes selon les lois concernées. En effet, tandis que la loi fédérale sur les brevets d'invention, la loi fédérale sur les dessins et modèles industriels, ainsi que la loi fédérale contre la concurrence déloyale menacent les mêmes activités de sanctions civiles et de poursuites pénales, la loi fédérale sur la protection des marques, la loi fédérale sur le droit d'auteur et la loi fédérale sur les topographies de produits semi-conducteurs ne se réfèrent plus aux violations civiles, mais dressent des catalogues particuliers d'infractions pénales.

- a) **Droit des brevets:** Les actes illicites décrits à l'article 66 LBI sont les mêmes selon que l'on se situe sous l'angle du droit civil ou du droit pénal, par renvoi de l'article 81 LBI. Ces actes ont déjà été décrits plus haut. S'y ajoute l'allusion fallacieuse à l'existence d'une protection, qui constitue une contravention - à caractère pénal uniquement - en vertu de l'article 82 LBI, qui réprime ainsi le fait de mettre en vente ou en circulation ses papiers de commerce, annonces de toutes sortes, produits ou

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- b. Exploite le résultat du travail d'un tiers, par exemple des offres, des calculs ou des plans, bien qu'il sache que ce résultat lui a été remis ou rendu accessible de façon indue;
- c. Reprend grâce à des procédés techniques de reproduction et sans sacrifice correspondant le résultat de travail d'un tiers prêt à être mis sur le marché et l'exploite comme tel.

Agit de façon déloyale selon l'article 6 LCD celui qui, notamment, exploite ou divulgue des secrets de fabrication ou d'affaires qu'il a surpris ou dont il a eu indûment connaissance d'une autre manière.

marchandises munis d'une mention propre à faire croire, à tort, que les produits ou marchandises sont protégées par la loi sur les brevets.

b) **Droit des marques:** Les actes punissables prévus par la loi sur les marques diffèrent, dans leur énoncé en tous les cas, des actes illicites à caractère civil. La loi sur les marques prévoit en effet les infractions suivantes:

- la violation du droit à la marque, soit le fait de violer la marque d'autrui en l'usurpant, la contrefaisant ou l'imitant, ou encore en utilisant la marque usurpée, contrefaite ou imitée pour offrir ou mettre en circulation des produits, offrir ou fournir des services ou faire de la publicité (art. 61 al. 1 LPM);
- le fait de refuser d'indiquer la provenance des objets sur lesquels la marque usurpée, contrefaite ou imitée a été apposée et qui se trouvent en possession de l'auteur de l'acte (art. 61 al. 2 LPM);
- l'usage frauduleux de la marque, soit le fait d'avoir désigné illicitement des produits ou des services par la marque d'un tiers en vue de tromper autrui, en faisant croire ainsi qu'il s'agissait de produits ou de services originaux, ou encore d'avoir offert ou mis en circulation comme originaux des produits désignés illicitement par la marque d'un tiers ou offert ou fourni comme originaux des services désignés par la marque d'un tiers (art. 62 al. 1 LPM);
- Le fait d'importer, d'exporter ou d'entreposer des produits dont l'auteur savait qu'ils seraient illicitement offerts ou mis en circulation, dans un but de tromperie (art. 62 al. 3 LPM);
- Le fait d'utiliser une marque de garantie ou une marque collective de manière à contrevenir aux dispositions du règlement, ou encore de refuser d'indiquer la provenance des objets sur lesquels une marque de garantie ou une marque collective est apposée de manière à contrevenir au règlement et qui se trouvent en possession de l'auteur de l'infraction (art. 63 LPM);
- L'utilisation d'une indication de provenance inexacte, l'utilisation d'une désignation susceptible d'être confondue avec une indication de provenance inexacte, ou la création d'un risque de tromperie en utilisant un nom, une adresse ou une marque en rapport avec des produits ou des services d'une autre provenance (art. 64 LPM);
- Le fait de contrevenir aux prescriptions relatives au signe d'identification du producteur (art. 51 et 65 LPM)⁷.

c) **Droit des dessins et modèles:** Les actes illicites à caractère pénal de la loi fédérale sur les dessins et modèles correspondent aux actes illicites à caractère civil. Ils ont déjà été évoqués plus haut. A l'instar de l'article 82 LBI, l'article 31 LDMI érige en outre en contravention pénale le fait de munir indûment ses papiers de commerce, annonces ou produits d'une mention tendant à faire croire qu'un dessin ou modèle a été déposé en vertu de la loi sur les dessins et modèles.

d) **Autres droits:** Les actes illicites à caractère pénal prévus par la loi fédérale sur les obtentions végétales, par la loi fédérale sur le droit d'auteur, par la loi fédérale sur les topographies, par la loi fédérale contre la concurrence déloyale et par les articles 155 et 326 ter du Code pénal ont déjà été décrites plus haut.

⁷

Cette dernière disposition n'a d'importance, à l'heure actuelle, que pour l'horlogerie. L'ordonnance du Conseil fédéral du 23 décembre 1971 sur le contrôle officiel de la qualité dans l'industrie horlogère suisse a en effet créé un signe d'identification du producteur. Les modalités d'apposition du signe d'identification sont actuellement régies par l'article 53 de l'Ordonnance du Conseil fédéral du 23 décembre 1992 sur la protection des marques (OPM), qui précise en particulier que les montres suisses et les mouvements suisses - tels que définis par l'Ordonnance du Conseil fédéral du 23 décembre 1971 sur l'utilisation du nom "Suisse" pour les montres - doivent être munis du signe d'identification de leur producteur.

2. L'élément intentionnel

Les infractions pénales ne sont, en principe, punissables que si elles sont commises intentionnellement, c'est-à-dire avec conscience et volonté. La conscience suppose que l'auteur ait su qu'il contrefaisait ou imitait un signe distinctif, un objet d'art ou un objet utilitaire, ou qu'il vendait ou mettait autrement en circulation un objet revêtu d'un signe distinctif imité ou revêtant une forme empruntée à celle d'un autre article. Pour être punissable, celui qui vend une machine ou un outil, ou qui applique ou utilise un procédé de fabrication doit se rendre compte qu'une machine ou un outil identique ou possédant les caractéristiques équivalentes est offert ou utilisé par une autre entreprise⁸. La volonté est coupable non seulement lorsqu'elle est clairement exprimée, mais également lorsque l'auteur de l'infraction agit par dol éventuel, c'est-à-dire lorsqu'il envisage le résultat dommageable, mais agit néanmoins ou ne fait pas ce qui est en son pouvoir pour l'éviter ou en atténuer les conséquences, s'accommodant ainsi de ce résultat pour le cas où il se produirait, même s'il ne le souhaite pas⁹. Pour échapper au reproche du dol éventuel, l'auteur doit pouvoir établir qu'il avait la conviction loyale et sincère qu'il ne lésait pas le droit d'un tiers¹⁰. Le commerçant ou le fabricant qui imite une marque ou un brevet étranger sans se demander s'ils sont protégés en Suisse agit d'une manière dolosive¹¹. En règle générale, la question du dol éventuel revient à celle de savoir si et dans quelle mesure un agent économique est obligé de se renseigner sur d'éventuels droits de tiers sur des articles qu'il fabrique, qu'il offre ou qu'il met en circulation¹².

Les lois de propriété intellectuelle n'exigent pas nécessairement un dessein de lucre; la volonté délictueuse peut porter sur une chose dénuée de valeur commerciale ou vénale, et sans valeur pour son propriétaire¹³.

Seul fait exception l'article 155 CP, qui exige que l'auteur de l'acte illicite ait agi "en vue de tromper autrui dans les relations d'affaires". Cette condition subjective spéciale ne doit pas nécessairement constituer le motif qui a poussé l'auteur à agir. Il est d'ailleurs rare que le mobile de l'auteur soit la tromperie; il s'agira plus souvent d'accroître ses revenus, d'épargner des frais ou de nuire au concurrent¹⁴. Le dol éventuel est punissable; il suffit donc que l'auteur ait eu conscience que son activité pouvait être de nature à tromper autrui dans les relations d'affaires et qu'il ait néanmoins agi. En revanche, la falsification de marchandises effectuée à des fins exclusivement privées ou scientifiques n'est pas répréhensible, car elle n'est pas susceptible de tromper autrui dans les relations commerciales¹⁵.

L'acte commis par négligence¹⁶ est parfois punissable. En effet, en vertu de l'article 333 chiffre 3 CP, les contraventions prévues par d'autres lois fédérales - parmi lesquelles, par exemple, les lois de propriété intellectuelle et la loi contre la concurrence déloyale - sont punissables alors même qu'elles ont été commises par négligence, à moins qu'il ne ressorte de la disposition applicable que la contravention est réprimée seulement si elle a été commise intentionnellement. En règle générale, les lois de propriété intellectuelle exigent

⁸ Kamen TROLLER, op. cit., p. 1063.

⁹ ATF 105 IV 172, cons. 4b.

¹⁰ ATF 53 I 326.

¹¹ ATF 84 IV 127.

¹² ATF 53 I 326; arrêt non publié du Tribunal cantonal vaudois du 29 janvier 2001 dans la cause G. SAM c/ V. SA, en matière de droit d'auteur. Voir sur ces questions Kamen TROLLER, Manuel du droit suisse des biens immatériels, 2^{ème} édition, Tome II, p. 1063 ss; François BESSE, La répression pénale de la contrefaçon en droit suisse, p 165 ss; 183, 199; 230.

¹³ ATF 70 IV 63; ATF 72 IV 118.

¹⁴ Peter NOLL, Schweizerisches Strafrecht. Besonderer Teil, p. 211.

¹⁵ BESSE, op. cit., p. 230.

¹⁶ La négligence se distingue du dol éventuel par l'absence de volonté délictueuse. Contrairement à l'auteur d'un délit animé de dol éventuel, l'auteur par négligence n'accepte pas les conséquences de ses agissements pour le cas où elles se produiraient, il ne s'en est pas accommodé, fût-ce à regret ou en les redoutant, comme dans le dol éventuel; cf. Kamen TROLLER, op. cit., p. 1066.

que l'auteur de l'acte ait agi intentionnellement¹⁷. En revanche, lorsque l'intention n'est pas expressément requise, la contravention commise par négligence est donc punissable. Tel est en particulier le cas de l'usage frauduleux d'une marque (art. 62 LPM), de l'exercice illécite des droits réservés à des sociétés de gestion autorisées (art. 70 LDA, ainsi que des violations de l'obligation d'indiquer les prix aux consommateurs (art. 24 LCD). L'article 26 LDMI précise expressément que les infractions à l'article 24 LDMI ne sont passibles d'aucune peine si elles sont commises par négligence, l'auteur de l'acte demeurant toutefois civilement responsable du dommage. En outre, l'article 48 LPOV punit de l'amende les actes illicites commis en violation de l'article 48 chiffre 1 LPOV, mais commis par négligence seulement.

3. La plainte

Toutes les lois de propriété intellectuelle, de même que la loi contre la concurrence déloyale, conditionnent la poursuite pénale à l'existence d'une plainte de la partie lésée¹⁸. Selon l'article 29 du Code pénal, le droit de porter plainte se prescrit par trois mois dès le jour où l'ayant droit a connu l'auteur de l'infraction. Ce délai est un délai de péremption, qui, comme tel, ne peut être ni interrompu, ni prolongé¹⁹. Ce délai est de six mois, et non trois comme le prévoit la règle générale découlant de l'article 29 CP, pour les violations des règles de la loi sur les brevets d'invention (art. 81 al. 2 LBI) et de la loi sur la protection des obtentions végétales (art. 48 al. 3 LPOV).

La règle de la poursuite sur plainte subit des exceptions à trois égards:

- a) Plusieurs lois précisent que, si l'infraction est commise avec la circonstance aggravante du métier, elle sera poursuivie d'office²⁰. La notion de métier a déjà été définie plus haut. Cette réglementation particulière a pour but de réprimer les formes de violation des droits de propriété intellectuelle susceptibles d'affecter à long terme les secteurs concernés et, partant, de porter atteinte à des intérêts publics²¹;
- b) Quelques infractions, même commises sans la circonstance aggravante du métier, se poursuivent d'office. Il s'agit de l'allusion fallacieuse à l'existence d'une protection, qui se poursuit d'office lorsqu'il s'agit d'un brevet (art. 82 LBI), ou d'un dessin ou d'un modèle industriel (art. 31 LDMI). C'est également le cas de l'exercice illécite de droits d'auteur ou de droits voisins (art. 70 LDA), de la contravention aux prescriptions relatives à l'identification du producteur (art. 65 LPM), ainsi que de la publicité fallacieuse et autres contraventions prévues à l'article 49 LPOV.
- c) Les articles 155 et 326 ter CP prévoient également que la poursuite a lieu d'office lorsque les conditions de réalisation de ces dispositions paraissent réunies.

Dans la pratique, cette faculté, pour les autorités pénales, de se saisir d'office de cas de violations des lois de propriété intellectuelle n'est malheureusement presque jamais utilisée, faute en particulier pour les juges d'avoir une formation spécifique sur les problèmes pénaux en la matière.

Cette responsabilité pénale exige-t-elle un élément intentionnel spécial?

On pourra se référer à la réponse précédente.

Qui a la charge de la preuve de cet élément intentionnel?

¹⁷ Voir les articles 67 à 69 LDA, 11 LTop, 61, 63 et 64 LPM, 25 LDMI, 81 et 82 LBI, 48 ch. 1 et 49 LPOV, 23 LCD.

¹⁸ Cf. art. 81 LBI; 27 LDMI; 67 ch.1 et 69 ch. 1 LDA; 11 ch. 1 LTop; 61 ch.1, 62 ch. 1 et 3, 63 ch. 1 et 2, 64 ch. 1 LPM; 23 LCD.

¹⁹ ATF 118 IV 325, cons. 2b.s

²⁰ Cf. art. 61 ch. 3, 62 ch. 2, 63 ch. 4, 64 ch. 3 LPM; 67 ch. 2 et 69 ch. 2 LDA; 11 ch. 2 LTop.

²¹ Voir en particulier le Message du Conseil fédéral à l'appui de la loi sur la protection des marques, du 21 décembre 1990, p. 44.

Selon les principes généraux du droit pénal, découlant en particulier de la présomption d'innocence, il incombe à l'accusation de prouver non seulement la réalisation de l'élément objectif, mais également la réalisation de l'élément subjectif. Il découle en effet du principe de la présomption d'innocence que la partie poursuivante a la charge d'établir l'existence de tous les éléments constitutifs de l'infraction, c'est-à-dire tant l'élément matériel que l'élément intentionnel, d'une part, que, lorsque le juge ne parvient pas à prouver la culpabilité du prévenu, celui-ci doit être acquitté, d'autre part²².

Cet élément intentionnel spécial est-il présumé ou doit-il être positivement prouvé?

Comme cela vient d'être relevé, cet élément intentionnel doit être effectivement positivement prouvé par l'accusation. Le droit suisse ne permet pas de présumer la réalisation de l'élément subjectif lorsque les éléments matériels de l'infraction sont réalisés. Toutefois, il convient de relever que le droit de la procédure pénale repose en particulier sur le principe de la libre appréciation des preuves par l'autorité de jugement²³. Cette règle a en particulier pour portée que le juge demeure libre de se déclarer convaincu par telle preuve plutôt que telle autre, la seule contrainte étant l'obligation de motiver son appréciation, lorsqu'il fait appel à son intime conviction²⁴. Dès lors, compte tenu des difficultés liées à la preuve de la réalisation de l'élément intentionnel, le juge pourra se fonder sur cette intime conviction, qui reposera sur la réunion d'un faisceau d'indices. Parmi ces indices, la réalisation de l'élément matériel de l'infraction, surtout en présence d'une violation crasse du droit intellectuel en cause, pourra ainsi régulièrement être considérée comme suffisamment forte pour que soit admise la réalisation de l'élément intentionnel²⁵.

2.3 *Existe-t-il des différences entre les actes de contrefaçon d'un droit de propriété intellectuelle du point de vue de la responsabilité civile et de la responsabilité pénale?*

Il convient de se référer à la réponse donnée au point 2.1 ci-dessus. Plusieurs infractions ne sont définies que sous l'angle pénal; il en est ainsi par exemple de l'exercice illicite de droits d'auteur ou de droits voisins (art. 70 LDA), de la contravention aux prescriptions relatives à l'identification du producteur (art. 65 LPM), de la publicité fallacieuse et autres contraventions prévues à l'article 49 LPOV, de l'allusion fallacieuse à l'existence d'une protection d'un brevet (art. 82 LBI) ou d'un dessin ou d'un modèle industriel (art. 31 LDMI)²⁶.

Par ailleurs, les conditions par le droit de la responsabilité civile se différencient des conditions d'application de la loi pénale sous l'angle de la réalisation de l'élément subjectif. La faute est certes une des conditions d'application du droit de la responsabilité civile - sous réserves des cas, relativement rares, de responsabilité objective -, mais toute faute quelconque, qu'elle soit grave ou légère, fruit du dol ou de la négligence, suffit²⁷.

Les mêmes actes de contrefaçon sont-ils susceptibles d'engager la responsabilité civile et la responsabilité pénale?

Il convient de se référer à la réponse donnée au point 2.1 ci-dessus.

Les délais de prescription de ces actes sont-ils identiques du point de vue de la responsabilité civile et du point de vue de la responsabilité pénale?

²² Cf. par exemple ATF 120 Ia 31; Semaine Judiciaire 1994, p. 541; J.-A. FROWEIN, Zur Bedeutung der Unschuldsvermutung in Art. 6 Abs. 2 EMRK, in Festschrift Hans Huber, Berne 1981, p. 553 ss.

²³ Selon l'article 249 de la loi fédérale sur la procédure pénale (PPF), du 15 juin 1934 "L'autorité appelée à juger apprécie librement les preuves. Elle n'est pas liée par des règles concernant les preuves légales". Cette règle s'impose aux cantons, en application de l'article 365 alinéa 2 CP.

²⁴ Voir en particulier Richard CALAME, Appel et cassation, Etude de la fonction en procédure pénale, p. 195 ss.

²⁵ Cf. BESSE, op. cit., p. 168.

²⁶ Dans ce dernier exemple, la loi contre la concurrence déloyale s'appliquerait toutefois en matière civile, en particulier l'article 3 b) LCD.

²⁷ Voir notamment, sur ces questions, Pierre ENGEL, Traité des obligations en droit suisse, 2^{ème} édition, p. 456 ss.

La prescription en matière pénale obéit à une réglementation qui lui est propre, et qui diffère donc de la réglementation civile en la matière. Il est à noter toutefois que, en vertu de l'article 60 alinéa 2 de Code des obligations - qui constitue une disposition de droit civil applicable, d'une manière générale, à tous les cas de responsabilité civile -, la prescription pénale s'applique aux dommages-intérêts dérivant d'un acte punissable si la loi pénale prévoit une prescription de plus longue durée que la loi civile. Cette disposition est particulièrement importante en matière de propriété intellectuelle, où fleurissent les violations extra-contractuelles des droits intellectuels; dès lors que, selon l'article 60 alinéa 1^{er} du Code des obligations, la prescription de l'action en dommages-intérêts pour acte illicite ou en paiement d'une somme à titre de réparation morale se prescrit par un an à compter du jour où la partie lésée a eu connaissance du dommage et de la personne qui en est l'auteur, l'article 60 alinéa 2 CO permet, logiquement, que cette action subsiste aussi longtemps que la prescription pénale n'est pas atteinte; il serait en effet particulièrement illogique que le lésé perde ses droits contre l'auteur responsable alors que celui-ci demeure exposé à une poursuite pénale, généralement plus lourde de conséquences pour lui²⁸.

Ceci étant, d'une manière générale, en présence d'une infraction aux lois de propriété intellectuelle, à la loi contre la concurrence déloyale et au Code pénal, le régime de la prescription, tant en ce qui concerne l'action pénale que la peine, est régi par les dispositions générales du Code pénal. La réglementation est la suivante:

a) La prescription de l'action pénale

Aux termes de l'article 70 du Code pénal, l'action pénale se prescrit par cinq ans si l'infraction est passible d'une autre peine que la réclusion. Cette disposition s'applique à toutes les infractions relatives à la propriété intellectuelle, à l'exception des contraventions²⁹. Ces dernières sont en effet soumises à la prescription découlant de l'article 109 du Code pénal, qui prévoit un délai d'une année. La prescription court du jour où l'auteur de l'infraction a exercé son activité coupable (art. 71 al. 2 CP). Si l'on se trouve en présence d'une succession d'infractions qui peuvent être considérées comme une entité, c'est-à-dire qu'elles sont de même nature, ont été commises au préjudice du même bien juridique et constituent un comportement illicite durable - ce qui est souvent le cas en matière de contrefaçon -, ce délai court dès le jour où les agissements coupables ont cessé (art. 71 al. 3 CP)³⁰.

Les articles 86 alinéa 2 LBI et 66 alinéa 3 LPM prévoient un cas particulier de suspension de la prescription, lorsque est soulevée la question de la nullité d'une marque ou d'un brevet. Dans un tel cas, le Juge pénal a la faculté de **suspendre** la procédure pénale, en impartissant à celui qui invoque la nullité du droit un délai pour ouvrir action en nullité. L'ouverture à temps de cette action a pour effet de **suspendre** la prescription de l'action pénale. La suspension n'est qu'un simple arrêt du cours de la prescription. A la différence de l'**interruption** de la prescription, ce n'est pas un nouveau délai qui court à compter de l'échéance de la **suspension**, mais le délai de prescription qui reprend simplement son cours pour le solde restant à courir. L'ouverture d'une poursuite pénale a pour effet d'**interrompre** la prescription (art. 72 ch. 2 al. 1 CP). Si la loi prévoit, dans un tel cas, que chaque interruption fait courir un nouveau délai de prescription, l'action pénale sera néanmoins en tous les cas prescrite lorsque le délai ordinaire aura été dépassé de moitié et, pour les contraventions, à l'expiration d'un délai double de la durée normale.

b) La prescription de la peine

²⁸ ATF 91 II 432; Pierre ENGEL, op. cit., p. 575.

²⁹ Aux termes de l'article 101 CP, les contraventions sont les infractions passibles des arrêts ou de l'amende, ou seulement de l'amende. Voir par exemples les articles 68 et 70 LDA, 62 al. 3 et 65 LPM, 31 LDMI, 82 LBI, 49 LPOV, 326ter CP.

³⁰ Le Tribunal fédéral a abandonné à cet égard l'ancienne notion de délit successif; cf. ATF 119 IV 199, cons. 2.

La question de la prescription de la peine est exclusivement régie par les dispositions générales du Code pénal. Les délais de prescription de la peine prévus par l'article 73 chiffre 1 du Code pénal sont, notamment, de dix ans lorsque l'infraction est passible d'une peine d'emprisonnement supérieure à un an et, pour toute autre peine visées par les dispositions des lois de propriété intellectuelle, de la loi contre la concurrence déloyale et de l'article 155 du Code pénal, de cinq ans. En vertu de l'article 74 CP, la prescription court du jour où le jugement est devenu exécutoire et, en cas de condamnation avec sursis, du jour où l'exécution de la peine est demandée. S'agissant des contraventions³¹, le délai de prescription de la peine est de deux ans (art. 109 CP).

2.4 *La loi nationale prévoit-elle la responsabilité pénale d'une personne morale pour des actes de contrefaçon?*

Plusieurs lois - nouvelles - ont introduit dans le catalogue des infractions sanctionnées pénalement celles qui sont commises dans la gestion d'une entreprise. Il s'agit des articles 67 LPM, 71 LDA et 26 LCD. Ces textes précisent que les infractions pénales commises par un mandataire ou d'autres organes dans la gestion d'une entreprise sont punissables conformément aux articles 6 et 7 de la loi fédérale du 22 mars 1974 sur le droit pénal administratif (LDPA)³². Lorsqu'une infraction est commise par un employé, ouvrier ou mandataire dans l'accomplissement de son travail, la peine est aussi appliquée à l'employeur, s'il s'agit d'une personne physique, ou aux organes de l'employeur, s'il s'agit d'une personne morale, s'ils ont omis d'empêcher l'acte ou d'en supprimer les effets. Par ailleurs, lorsque le contrefacteur essaiera de se cacher derrière l'écran d'une société, la poursuite pénale frappera celui qui a commis l'acte, y compris l'organe de la société s'il avait connaissance de l'action interdite et ne l'a pas empêchée³³.

2.5 *Le Tribunal pénal qui statue sur la responsabilité pénale pour un acte de contrefaçon a-t-il le pouvoir de statuer sur la question de la validité du droit de la propriété intellectuelle ou cette appréciation relève-t-elle du seul pouvoir d'une juridiction civile?*

Les lois de propriété intellectuelle ne prévoient aucune règle en la matière, hormis les cas de suspension de la prescription prévus par les articles 86 alinéa 2 LBI et 66 alinéa 3 LPM évoqués plus haut. C'est dire que le Juge pénal a toute latitude de statuer sur la validité du droit invoqué. L'instance pénale saisie d'une plainte ou d'une dénonciation doit en effet examiner d'office la qualité de l'ayant droit et la validité du droit invoqué³⁴. Le droit suisse consacre toutefois le principe de l'indépendance du juge civil par rapport au juge pénal³⁵,

³¹ Articles 68 et 70 LDA, 62 al. 3 et 65 LPM, 31 LDMI, 82 LBI, 49 LPOV, 326ter CP

³² L'article 6 LDPA a la teneur suivante: "1 Lorsqu'une infraction est commise dans la gestion d'une personne morale, d'une société en nom collectif ou en commandite, d'une entreprise individuelle ou d'une collectivité sans personnalité juridique ou de quelque autre manière dans l'exercice d'une activité pour un tiers, les dispositions pénales sont applicables aux personnes physiques qui ont commis l'acte.

2 Le chef d'entreprise, l'employeur, le mandant ou le représenté qui, intentionnellement ou par négligence et en violation d'une obligation juridique, omet de prévenir une infraction commise par le subordonné, le mandataire ou le représentant ou d'en supprimer les effets, tombe sous le coup des dispositions pénales applicables à l'auteur ayant agi intentionnellement ou par négligence.

3 Lorsque le chef d'entreprise, l'employeur, le mandant ou le représenté est une personne morale, une société en nom collectif ou en commandite, une entreprise individuelle ou une collectivité sans personnalité juridique, le 2^{ème} alinéa s'applique aux organes et à leurs membres, aux associés gérants, dirigeants effectifs ou liquidateurs fautifs."

L'article 7 LDPA a la teneur suivante: "1 Lorsque l'amende entrant en ligne de compte ne dépasse pas 5000 francs et que l'enquête rendrait nécessaire à l'égard des personnes punissables selon l'article 6 des mesures d'instruction hors de proportion avec la peine encourue, il est loisible de renoncer à poursuivre ces personnes et de condamner à leur place au paiement de l'amende la personne morale, la société en nom collectif ou en commandite ou l'entreprise individuelle.

2 Le 1^{er} alinéa est applicable par analogie aux collectivités sans personnalité."

³³ Kamen TROLLER, op. cit., p. 1061.

³⁴ Kamen TROLLER, op. cit., p. 1052; ATF 95 II 271; Semaine judiciaire 1991, p. 257.

³⁵ Pierre ENGEL, op. cit., p. 571 s.

de sorte que l'examen de la validité du droit par le juge pénal ne dispense pas le juge civil d'un examen similaire, seul le juge civil - ou administratif, selon le cas - étant habilité à faire radier le droit par hypothèse jugé nul³⁶.

Ceci étant, en tous les cas dans les domaines qui le prévoient - à noter que, dans les cas qui ne sont pas expressément prévus par une loi de propriété intellectuelle, la suspension peut être ordonnée sur la base des règles générales de la procédure pénale qui, en droit suisse, demeurent du ressort des cantons³⁷ -, le Juge pénal sera bien inspiré de suspendre la procédure en cas de contestation sur le droit invoqué, aux conditions des articles 86 LBI ou 66 LPM déjà évoqués plus haut³⁸.

Si le Juge pénal n'a pas le pouvoir d'apprécier la validité du droit de propriété intellectuelle et notamment d'en prononcer la nullité, est-il possible au défendeur à l'action en contrefaçon pénale de demander un sursis à statuer pour saisir le Juge civil ou l'Office des brevets de l'appréciation de la validité du titre qui lui est opposé?

Il convient de se référer à la réponse donnée ci-dessus.

2.6 *Quelles sont précisément les sanctions prévues par la législation pénale pour des actes de contrefaçon des droits de propriété intellectuelle?*

Les articles 81 de la loi sur les brevets d'invention, 61, 63 et 64 de la loi sur les marques, 23 de la loi contre la concurrence déloyale et 25 de la loi sur les dessins et modèles industriels prévoient l'emprisonnement d'un an au plus ou l'amende jusqu'à CHF 100'000.-. En cas d'usage frauduleux d'une marque, la peine sera l'emprisonnement, sans spécification de la durée, ou l'amende jusqu'à CHF 100'000.-. L'article 155 CP sanctionne la falsification de marchandises de l'emprisonnement ou de l'amende, sans spécifications supplémentaires, quant aux maxima ou minima³⁹. Les articles 67 et 69 de la loi sur le droit d'auteur, 11 de la loi sur les topographies de produits semi-conducteurs et 48 de la loi sur la protection des obtentions végétales prévoient la sanction de l'emprisonnement pendant une année au plus ou de l'amende sans spécification du montant. L'article 48 chiffre 2 LPOV sanctionne toutefois de l'amende l'acte commis par négligence. Dans plusieurs cas, la peine pourra être l'emprisonnement et l'amende jusqu'à CHF 100'000.- lorsque l'auteur de l'acte agit par métier (art. 67 al. 2 et 69 al. 2 LDA, 11 al. 2 LTop, 61 al. 3, 63 al. 4 et 64 al. 2 LPM); la sanction sera l'emprisonnement, seul, à l'exclusion de l'amende, en cas de falsification de

³⁶ ATF 95 II 271.

³⁷ Sur ces questions, voir BESSE, op. cit., p. 318 ss.

³⁸ Il est à noter que l'article 86 LBI prévoit une règle intéressante en ce qui concerne la charge de l'action portant sur la validité du droit invoqué. En effet, le juge pénal a le choix d'impartir à l'inculpé qui soulève l'exception de nullité du brevet un délai pour ouvrir action en nullité, d'une part, ou d'impartir au lésé un délai pour ouvrir une action en constatation de la validité du brevet litigieux, lorsque le brevet a été délivré sans examen préalable ou lorsque l'inculpé rend vraisemblable certaines circonstances qui font apparaître l'exception de nullité comme fondée, d'autre part; c'est donc le juge pénal qui détermine la charge du procès. Au demeurant, on relèvera que l'article 86 alinéa 3 LBI prévoyait, jusqu'en l'an 2000, une règle particulière en matière de for. En effet, lorsque le juge pénal ordonnait la suspension de la procédure pénale en présence d'une contestation sur la validité du droit invoqué, l'action pouvait être intentée soit devant le juge du domicile du défendeur, soit devant le juge du lieu où la procédure pénale avait été engagée. Cette disposition a été abrogée par la nouvelle loi fédérale sur les fors, du 24 mars 2000, entrée en vigueur le 1^{er} janvier 2001.

³⁹ Selon l'article 48 du Code pénal, sauf disposition contraire de la loi, le maximum de l'amende est fixé à CHF 40'000.-. La loi précise toutefois que le juge ne sera pas lié par ce maximum lorsque le délinquant aura agi par cupidité. Selon la jurisprudence du Tribunal fédéral, est cupide celui qui se montre particulièrement avide d'avantages financiers, par exemple en outrepassant habituellement ou sans scrupules les limites tracées par la loi, la bienséance ou les bonnes mœurs et qui n'hésite donc pas à se procurer un gain illicite. Agit ainsi avec cupidité soit l'auteur qui, en raison de l'acte illicite qu'il a commis, réclame des prestations plus élevées qu'il ne le ferait dans d'autres circonstances, soit celui qui recherche des avantages financiers qui ne pourraient être obtenus, du moins dans la même mesure, sans l'existence de l'activité illicite. Le juge pourra ainsi fréquemment exploiter la faculté que lui laisse l'article 48 chiffre 1 alinéa 2 CP en matière de contrefaçon puisque le contrefacteur ne s'embarrasse guère, dans la règle, de scrupules pour réaliser ses gains. Cf. BESSE, op. cit., p. 261.

marchandises commise par métier (art. 155 ch. 2 CP). En cas d'usage frauduleux d'une marque par métier, l'auteur de l'infraction est passible de l'emprisonnement jusqu'à cinq ans et de l'amende jusqu'à CHF 100'000.- (art. 62 al. 2 LPM). En revanche, celui qui importe, exporte ou entrepose des produits dont il savait ou devait savoir qu'ils seraient illicitement offerts ou mis en circulation sera puni des arrêts⁴⁰ ou de l'amende. Il en va de même en cas d'exercice illicite des droits d'auteur ou des droits voisins (art. 70 LDA) ou d'infraction aux dispositions sur le Registre du commerce (art. 326 ter CP). L'allusion fallacieuse à l'existence d'une protection est sanctionnée, par la loi sur les brevets, par une amende jusqu'à CHF 2'000.- et la publication éventuelle du jugement (art. 82 LBI), alors que l'article 31 de la loi fédérale sur les dessins et modèles industriels prévoit simplement l'amende pour une violation similaire, sans précision d'un chiffre maximum ou minimum. L'amende, sans autre spécification, sanctionne également l'omission de mentionner la source (art. 68 LDA) et la publicité fallacieuse ou les autres contraventions au sens de l'article 49 LPOV. Le fait d'importer, d'exporter ou d'entreposer des produits dont l'auteur savait qu'ils seraient illicitement offerts ou mis en circulation, dans un but de tromperie, est puni des arrêts ou de l'amende jusqu'à CHF 20'000.- (art. 62 al. 3 LPM). Enfin, les contraventions aux prescriptions relatives au signe d'identification du producteur sont passibles d'une amende jusqu'à CHF 20'000.- (art. 65 LPM).

La confiscation constitue une autre forme de sanction. Elle a déjà été évoquée plus haut. Elle est dans tous les cas possible, même lorsque la faculté n'est pas expressément prévue par la loi de propriété intellectuelle, en se fondant sur l'article 58 du Code pénal. La confiscation peut s'étendre à l'avantage - pécuniaire - illicite résultant de l'infraction, selon l'article 59 CP. Cet avantage peut consister en une augmentation de l'actif ou en une non diminution du patrimoine, par exemple lorsque l'auteur réussit à maintenir sa part de marché par le moyen d'une publicité comparative illicite ou en ayant recours à d'autres tromperies du public⁴¹.

Sous réserve de deux exceptions, décrites ci-après, les dispositions pénales des lois sur les biens immatériels et de la loi contre la concurrence déloyale ne mentionnent pas la publication du jugement. L'article 61 du Code pénal oblige toutefois le juge pénal à ordonner la publication, aux frais du condamné, lorsque l'intérêt public ou celui du lésé ou encore l'intérêt de celui qui a qualité pour porter plainte, l'exige. En présence de ces mêmes conditions, l'accusé peut aussi exiger la publication du jugement d'acquiescement. L'article 61 du Code pénal est d'application générale et peut donc être utilisé dans tous les cas de violation des droits de propriété intellectuelle. Comme mentionné plus haut, deux lois prévoient néanmoins spécifiquement la publication du jugement:

- l'article 30 de la loi sur les dessins et modèles industriels dispose que le jugement pourra être publié dans la Feuille officielle suisse du commerce et dans un ou plusieurs autres journaux, aux frais du condamné. Cette disposition s'applique d'une manière générale à tous les actes illicites commis en violation à la loi sur les dessins et modèles industriels.
- L'article 70 LBI, qui s'applique tant aux sanctions civiles qu'aux sanctions pénales, prévoit expressément la publication du jugement, tout en renvoyant, lorsque l'on se trouve en matière pénale, aux règles découlant de l'article 61 du Code pénal. D'une manière curieusement redondante, l'article 82 LBI - pourtant expressément mentionné par l'article 70 LBI - prévoit également que le juge pourra ordonner la publication du jugement en cas d'allusion fallacieuse à l'existence d'une protection.

Les Tribunaux qui prononcent des sanctions pénales sont-ils également compétents pour allouer des dommages-intérêts en réparation du préjudice subi par les victimes des actes de contrefaçon ou cela relève-t-il de la compétence exclusive des Tribunaux civils?

⁴⁰ Selon l'article 39 ch. 1 du Code pénal, les arrêts sont la peine privative de liberté la moins grave. Leur durée est d'un jour au moins et de trois mois au plus.

⁴¹ TROLLER, op. cit., p. 1071; BESSE, op. cit., p. 270 s.

Les lois de propriété intellectuelle ne règlent pas la question. S'il découle du droit fédéral, en particulier de l'article 45 lettre a) de la loi fédérale d'organisation judiciaire, du 16 décembre 1943, que les contestations civiles en matière de droits immatériels doivent être jugés par une instance cantonale unique, cette réglementation n'est pas applicable aux conclusions prises dans le cadre d'une affaire pénale, quand bien même le droit de procédure pénale cantonal prévoirait - ce qui est la règle - une double instance cantonale, soit une autorité de jugement et une autorité d'appel ou de recours, avant que l'affaire ne puisse être portée, le cas échéant, en troisième instance, devant le Tribunal fédéral. En d'autres termes, la question de l'admissibilité des conclusions civiles, en particulier en dommages-intérêts, en matière de contrefaçon dépend exclusivement du droit de procédure pénale⁴². Comme cela a déjà été précisé, la procédure pénale est régie par le droit cantonal. Chaque canton a sa propre loi de procédure pénale, les solutions étant très contrastées selon les cantons. Ainsi, certains cantons ne permettent au juge pénal de connaître des prétentions civiles du lésé que jusqu'à une certaine valeur litigieuse et renvoient, par suite, ce dernier à agir devant le juge civil si les prétentions excèdent sa compétence⁴³. Dans d'autres cas, le juge pénal n'est compétent pour statuer sur des conclusions pénales que si et dans la mesure où il est également compétent, eu égard à la valeur litigieuse, en qualité de juge civil⁴⁴. D'autres cantons autorisent le juge pénal à statuer sur les conclusions civiles du lésé sans égard à la valeur litigieuse⁴⁵. D'autres formes de restrictions à la compétence des juges pénaux pour statuer sur les conclusions civiles sont possibles. Ainsi, certaines lois de procédure pénale indiquent que la procédure ne doit subir aucun retard dû à la clarification des prétentions civiles, que celles-ci doivent être suffisamment prêtes ou encore que l'action civile doit être "en état" d'être jugée⁴⁶. Plusieurs lois mentionnent que la partie civile doit être renvoyée devant le juge civil quand ses prétentions ne sont pas justifiées, quand l'état de fait n'est pas suffisamment clarifié ou quand leur éclaircissement compliquerait ou allongerait la procédure⁴⁷. Il ne s'agit là que d'exemples, qui démontrent que les solutions sont aussi multiples que variées. Dans la pratique, surtout dans le domaine du droit de la propriété intellectuelle, le juge pénal renverra d'une manière quasiment systématique le lésé à agir par la voie civile pour faire valoir des prétentions en dommages-intérêts⁴⁸. Il est d'ailleurs indiqué au plaideur qui opte pour la voie pénale de doubler dans tous les cas cette intervention d'une procédure civile, ne serait-ce que pour tenir compte des grandes incertitudes de la voie pénale, liées en particulier à la méconnaissance pratiquement totale qu'ont les juges pénaux des lois de propriété intellectuelle.

⁴² Sur ces questions, BESSE, op. cit., p. 310 s.

⁴³ Article 13 du Code de procédure pénale de Bâle-ville, par exemple, qui autorise toutefois les parties à se mettre d'accord pour que le juge se déclare compétent malgré le fait que la valeur litigieuse excède le cadre de ses compétences.

⁴⁴ Art. 17 du Code de procédure pénale du canton de Soleure.

⁴⁵ Tel est le cas par exemple dans le canton de Vaud, où, depuis une modification du 9 mars 1999, le Tribunal correctionnel peut allouer des dommages-intérêts sans égard à la valeur litigieuse (art. 13 du Code de procédure civile; il est vrai que, dans les causes de moindre importance, qui sont jugées par un Tribunal de police ou un juge d'instruction, les dommages-intérêts sont limités à CHF 30'000.-).

⁴⁶ Voir par exemple les articles 29 du Code de procédure pénal du canton d'Appenzell Rhodes-Intérieures, 57 du Code de procédure pénale du canton d'Appenzell Rhodes-Extérieures, 137 du Code de procédure pénale du canton de Glaris ou 37 du Code de procédure pénale du canton de Saint-Gall.

⁴⁷ Voir par exemple art. 64 du Code de procédure pénale du canton de Thurgovie, 165 du Code de procédure pénale du canton d'Argovie, 17 du Code de procédure pénale du canton de Soleure, 129 du Code de procédure pénale du canton des Grisons ou 138 du Code de procédure pénale du canton de Bâle-Campagne.

⁴⁸ Cf. à ce propos, dans un contexte général, H.F PFENNINGER, *Der Verletzte im schweizerischen Strafverfahren*, *Revue Suisse de Jurisprudence* 56/1960, p. 189; Martin KILLIAS, *Victim-related alternatives to the Criminal Justice System: Compensation, Restitution and Mediation*, Lausanne, p. 8, ainsi que les références.

2.7 *Quelles sont les règles relatives à la personne qui est investie du droit d'engager une procédure pénale, la charge de la preuve de l'infraction, la possibilité pour une partie de mettre fin à l'instance par une transaction, etc. ?*

Le droit de porter plainte pénale appartient à toute personne lésée⁴⁹. Est considérée comme lésé selon la jurisprudence découlant de l'article 28 du Code pénal toute personne dont le bien juridique est directement atteint par l'infraction⁵⁰. Il peut s'agir d'une personne physique ou d'une personne morale. En cas de cession du droit de propriété intellectuelle à un tiers, ce dernier acquiert le droit de déposer plainte pénale, même si, par hypothèse, la situation au registre des brevets ou marques n'a pas changé⁵¹. Le licencié, en revanche, n'est, sauf disposition contraire, pas autorisé à déposer plainte pénale pour violation des droits intellectuels du donneur de licence, pas plus que ne le sera l'importateur de produits couverts par la protection d'une loi de propriété intellectuelle. En revanche, l'usufruitier pourrait être admis à déposer une telle plainte⁵². En cas d'usage frauduleux d'une marque, il est admis que le consommateur a également la faculté de déposer plainte⁵³. En outre, l'Institut fédéral de la propriété intellectuelle a le droit de poursuivre, et d'ailleurs de juger, les infractions à l'article 70 LDA, soit d'exercice illicite de droits d'auteurs ou de droits voisins (art. 73 al. 2 LDA). La loi contre la concurrence déloyale prévoit des règles particulières. Les articles 9 et 10 LCD, applicables par renvoi de l'article 23 LCD, autorisent à agir non seulement celui qui subit une atteinte, mais également celui qui en est simplement menacé; en outre, le droit d'agir appartient, selon l'article 10 LCD, aux clients dont les intérêts économiques sont menacés ou lésés par un acte de concurrence déloyale, aux organisations et associations que les statuts autorisent à défendre les intérêts économiques de leurs membres, les organisations de protection de consommateur, voire à la Confédération elle-même lorsque est en jeu la réputation de la Suisse à l'étranger.

S'agissant de la charge de la preuve, le droit suisse repose sur un système accusatoire. Il appartient aux organes de la justice d'établir les faits qu'ils entendent imputer au prévenu. Le procès se déroule sur un mode inquisitorial, en ce sens que le magistrat doit enquêter tant à charge qu'à décharge, et cela d'office, sans en être requis. Plus particulièrement dans le procès pénal portant sur un litige en matière de propriété intellectuelle, le rôle de la partie plaignante dans l'établissement des faits apparaît crucial, en particulier compte tenu de la méconnaissance et du peu d'attrait des juges pénaux pour ce domaine du droit. Il n'en demeure pas moins que le juge est tenu d'établir d'office les faits.

Une transaction, avec effet sur le sort des poursuites pénales, reste toujours possible dans les causes poursuivies sur plainte seulement, ce qui est le cas, la plupart du temps, dans le domaine de la propriété intellectuelle. Cette transaction s'impose au juge, qui n'aura plus qu'à trancher - à moins que le cas n'ait expressément été réglé par la transaction - la question des frais de justice engagés dans le cadre de la procédure pénale. Ces frais pourront être mis à la charge de l'Etat ou, si l'équité l'exige, à la charge de l'une ou l'autre des parties⁵⁴.

2.8 *Quel est le rôle des experts techniques dans la procédure pénale?*

⁴⁹ Art. 28 ch. 1 CP; 67 al. 1, 68, 69 al. 1 LDA; 11 al. 1 LTop; 61 al. 1 et 2, 62 al. 1 et 3, 63 al. 1 et 2 et 64 al. 1 LPM; 27 al. 1 LDMI; 81 LBI; 48 al. 1 LPOV.

⁵⁰ ATF 92 IV 1.

⁵¹ ATF 108 II 216. Relevons que, selon l'article 33 alinéa 3 de la loi sur les brevets, le transfert du brevet s'opère indépendamment de son inscription au registre des brevets. En revanche, l'article 17 alinéa 2 LPM dispose que le transfert de la marque n'a d'effet à l'égard des tiers de bonne foi qu'après son enregistrement.

⁵² Jacques WITTMER, La prescription des actions civiles et pénales pour atteintes à la propriété incorporelle et pour concurrence déloyale, *Revue suisse de la propriété intellectuelle* 1961, p. 29 s; Lucas DAVID, *Der Rechtsschutz im Immaterialgüterrecht*, in *Schweizerisches Immaterialgüter- und Wettbewerbsrecht*, p. 226.

⁵³ Voir le Message du Conseil fédéral à l'appui de la loi sur la protection des marques, du 21 novembre 1990, p. 45.

⁵⁴ Voir par exemple *Journal des tribunaux* 1988 III 99.

Le droit suisse repose sur le principe de la liberté des preuves (art. 249 PPF). C'est dire que le recours à l'expert est possible. Cette faculté est même prévue expressément par toutes les lois cantonales de procédure. En pratique cependant, cette faculté ne paraît guère utilisée, le juge pénal préférant, lorsqu'une telle expertise est nécessaire, ne laisser la charge à la partie qui le requiert, soit dans le cadre d'une procédure civile, soit dans le cadre d'une expertise privée. Certains Codes de procédure pénale abordent également la question des frais d'expertise, en précisant que cette avance peut être exigée de la part de la partie instante à la procédure lorsque celle-ci est utile, mais non indispensable⁵⁵.

2.9 *Quelle est l'opinion générale concernant les sanctions pénales pour les actes de violation des droits de propriété intellectuelle?*

D'une manière générale, le système légal actuel apparaît suffisant. L'arsenal juridique s'est très sensiblement renforcé ces dernières années, en particulier avec un renforcement sensible du niveau des amendes. Jusqu'au début des années 1990, les sanctions pénales des lois sur les dessins et modèles et sur les marques dataient du début du siècle. Elles étaient donc largement inadaptées à leur double fonction, dissuasive et répressive. Aujourd'hui, les solutions ont non seulement été actualisées, mais également harmonisées, ce qui constitue un excellent point. Le gros point noir demeure toutefois la méconnaissance des juges, qui ont une fâcheuse tendance à admettre que les litiges en matière de propriété intellectuelle ressortissent exclusivement au domaine du droit civil. C'est d'autant plus fâcheux qu'ils fondent généralement leurs prononcés d'acquiescement ou de non-lieu sur l'absence de preuve de l'élément subjectif, alors même que cette preuve résulte régulièrement, cela a été relevé plus haut, de la réalisation de l'élément matériel de l'infraction. En résumé, si le bilan légal est globalement très satisfaisant, le bilan de l'application de la loi l'est beaucoup moins. On peut le regretter.

3. Les propositions de solution pour l'avenir

3.1 *Les sanctions doivent-elles être élargies à tous les droits de propriété intellectuelle, y compris les brevets d'invention?*

C'est d'ores et déjà le cas en droit suisse. En effet, toutes les lois de propriété intellectuelle prévoient des sanctions pénales. Ces règles sont complétées par celles qui découlent de la loi contre la concurrence déloyale et du Code pénal. Toute la matière paraît donc couverte.

3.2 *Les actes de violation des droits de propriété intellectuelle doivent-ils être délibérés?*

Oui, cela fait partie de l'essence même du droit pénal. En revanche, et pour des raisons qui ont déjà été évoquées plus haut, il serait judicieux d'alléger le fardeau de la preuve de l'élément subjectif, en particulier en présence de violations crasses des lois de propriété intellectuelle.

La preuve du caractère intentionnel peut-elle résulter de la nature de l'infraction ou doit-elle être prouvée positivement par la victime de la contrefaçon?

Dans la pratique, les juges pénaux recourent très - trop - régulièrement à l'argument de l'absence de preuve de l'élément subjectif pour prononcer un jugement de non-lieu ou d'acquiescement, ou encore pour rendre une ordonnance de classement. Or, dans la plus part des cas, la démonstration de la réalisation de l'élément intentionnel résulte de la contrefaçon elle-même. La contrefaçon ne peut généralement pas être fortuite. Elle est le fruit d'un travail d'imitation qui, en soi, démontre déjà une volonté d'appropriation coupable. Cela doit être d'autant plus vrai que la contrefaçon est crasse. La preuve formelle de la réalisation de l'élément subjectif s'apparentant à une *probatio diabolica*, on doit dès lors admettre que, dans de tels cas, la simple réalisation des éléments matériels de l'infraction suffit, la réalisation de l'élément subjectif en découlant logiquement, sinon nécessairement.

3.3 *Le Juge pénal doit-il statuer également sur la validité d'un droit de propriété intellectuelle dont la violation est reprochée dans le cadre d'une procédure pénale, ou doit-il laisser la question de l'appréciation de la validité d'un tel droit à la compétence du Juge civil ou de*

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Sur ces questions, voir François CLERC, *Initiation à la justice pénale en Suisse*, Tome I, p. 159 s.

l'Office des brevets, et par conséquent surseoir à statuer dans la procédure en attendant que l'autorité compétente ait statué sur la validité du titre invoqué dans l'instance pénale?

Seul un juge pénal spécialisé devrait être en mesure de statuer sur la question de la validité du droit invoqué. En l'absence de tels juges, il apparaît que le juge pénal devrait dans tous les cas, lorsque se pose la question de la validité du droit invoqué, suspendre la procédure jusqu'à droit connu sur cette difficulté. C'est d'ailleurs la seule manière d'éviter des jugements contradictoires, puisque, dans le cas contraire, on pourrait imaginer qu'un droit intellectuel soit annulé par un juge civil ou administratif, alors même que ce droit aurait été reconnu valable par le juge pénal.

3.4 *La victime de contrefaçon doit-elle être maître de l'action pénale, c'est-à-dire l'introduire et y mettre fin, notamment par transaction?*

C'est un bon système. La voie pénale constitue souvent un moyen de pression. Lorsque la pression n'est plus nécessaire, ou lorsque les parties parviennent à se mettre d'accord sur les conséquences civiles de leur litige, il apparaît préférable qu'elles puissent également, de leur propre initiative, mettre un terme à la procédure pénale. Si les sanctions pénales sont nécessaires, il faut se garder d'en faire un instrument trop contraignant en particulier pour la partie plaignante, qui pourrait ainsi préférer renoncer à agir au pénal plutôt que de prendre le risque de ne pas pouvoir arrêter la procédure au moment où elle le jugera important.

La victime de la contrefaçon doit-elle pouvoir utiliser, notamment dans le cadre des procédures civiles, les pièces de la procédure pénale et en particulier les preuves de la contrefaçon reprochée?

Oui, c'est indispensable. C'est d'ailleurs régulièrement, dans la pratique, l'un des objectifs de la procédure pénale.

Résumé

Le droit suisse comporte un arsenal de sanctions pénales couvrant tous les droits de la propriété intellectuelle. Ces règles sont complétées par les sanctions prévues par la loi contre la concurrence déloyale et le Code pénal. Parallèlement à des peines d'emprisonnement et/ou d'amende, les sanctions prévues comportent la confiscation et la publication du jugement. Les poursuites pénales sont généralement initiées sur plainte de la partie lésée. Il peut donc y être mis fin par transaction. La mise en œuvre de la sanction pénale implique la preuve, par l'accusation, de la réalisation de l'élément matériel de l'infraction, ainsi que la réalisation de l'élément intentionnel. Cette dernière preuve est généralement difficile à rapporter. Le juge peut tenir compte d'indices. Toutefois, dans la pratique, compte tenu de sa méconnaissance du droit de la propriété intellectuelle, il préférera souvent mettre fin aux poursuites pénales en admettant que l'élément subjectif n'est pas réalisé.

Zusammenfassung

Das schweizerische Recht enthält für alle Immaterialgüterrechte auch strafrechtliche Sanktionen. Diese werden ergänzt durch die strafrechtlichen Bestimmungen des Bundesgesetzes gegen den unlauteren Wettbewerb und durch das Strafgesetzbuch. Zusätzlich zu Freiheitsstrafen und Bussen sehen die Sanktionen die Einziehung von Gegenständen und die Veröffentlichung des Urteils vor. Die Strafverfolgung findet im Normalfall auf Antrag der verletzten Partei statt und kann daher durch einen Vergleich beendet werden. Die strafrechtliche Verurteilung setzt voraus, dass die Anklage die objektive Erfüllung des Tatbestands und den entsprechenden Vorsatz des Täters beweist. Der zweite Beweis ist im Allgemeinen schwierig, der Richter kann dabei Indizien berücksichtigen. In der Praxis wird ein im Immaterialgüterrecht nicht erfahrener Richter oft den Ausweg wählen, das Verfahren dadurch zu beenden, dass er die Erfüllung des subjektiven Tatbestandselements (Vorsatz) verneint.

Summary

The Swiss Law contains an arsenal of punitive sanctions which covers all the intellectual property rights. These rules are completed by the sanctions of the unfair competition law and the Penal Code. Parallel to the imprisonment and/or the fine, the sanctions comprise the seizure and the publication of the judgement. The penal prosecution is generally opened by a complaint from the injured party. The proceedings can be closed by a transaction. The sanctions require the evidence, by the accusation, of the materiel part of the infringement as well as the intention. It will be generally difficult to prove this last element. The judge can base himself on indication signs. However, he will generally prefer to close the proceedings considering that the intention has not been realised.

Report Q169

in the name of the Thai Group
by Say SUJINTAYA

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

1. Introduction

The aim of the present question is to provide to the members of Association the complete presentation of the state of the substantive law in each country from which the AIPPI groups belong.

And this information should relate at the same time on the applicable legal rules and the legal practice.

The group will also have to indicate which are the changes that they would wish to bring to their legislation on the basis of practical application of their legal rules;

The study relates to the whole range of the intellectual property rights and in particular: trademarks, patents, drawings and models, copyright, unfair competition and certificates of vegetable obtaining (patents of plants).

Despite the recognition of piracy as a domestic and international problem, Thailand has a worldwide reputation as being a major producer and supplier of counterfeit goods. As a result, there are huge economic losses being generated to intellectual property right-holders around the world. As international trade expands and technology develops, new methods of economic exploitation have begun to rise. Consequently, there are a number of countries which are trying to improve their national laws to create new rights to deal with these types of economic activity and to cover, to the most extent, a new types of exploitation. In Thailand, while counterfeit products have been continuously made available, there has been a notable decline in counterfeiting activities over the past few years.

One of the main factors contributing to the decline includes the attempts to use criminal sanction for intellectual property protection. Thus, in recent years, the trend has been to increase criminal penalties and to use the criminal process in a much more ambitious way. A continued vigilance in carrying out criminal sanctions of all parties concerned (intellectual property right-holders, government officials, police, practitioners) is critical if Thailand is to continue making headway in its efforts to protect intellectual property rights.

As required by Section 5, Article 61 of TRIPS Agreement, members are to provide criminal procedures and penalties in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Also, members shall set criminal remedies which shall include imprisonment and/or monetary fines sufficient to deter infringement and, in appropriate cases, seizure, forfeiture and destruction of the infringing goods and related materials and equipment used in conjunction with the infringing activities.

Evidently, Thailand has committed to adopting and implementing such methods as a means to enhance intellectual property protection. The Thai legislature has enacted three sui generis statutory laws to provide protection for such intellectual properties as trademarks, copyrights and patents. Additional legislation providing protection for plant varieties and layout design of integrated circuits have also been enacted recently. Thus far, with respect to membership requirements of the WTO, Thailand has made substantial efforts toward full compliance with TRIPS, in particular, Section 5, Article 61.

2. Substantive law

The groups are invited to present the legal system currently in force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

Thailand adopted the provision of Article 61 of the TRIPS by providing penal sanctions in case of violation of intellectual property rights with regard to following areas of laws:

1. **Trademarks - the Trademark Act B.E. 2534 (1991) as amended by the Trademark Act (No. 2) B.E. 2543 (2000);**

The following infringement in relation to a registered trademark constitutes criminal liability under the Trademark Act:

- Forging another person's registered trademark, service mark, certification mark, or collective mark already registered in Thailand.

Penal sanctions: imprisonment not exceeding 4 years or a fine not exceeding 400,000 Baht, or both.

- Imitating another person's registered trademark, service mark, certification mark, or collective mark which is registered in Thailand in order to mislead the public into believing that the imitation mark is that of the registered proprietor.

Penal sanctions: imprisonment not exceeding 2 years or a fine not exceeding 200,000 Baht, or both.

- Bringing into Thailand, selling, offering, or possessing for sale products bearing a forged trademark, certification mark, or collective mark.

Penal sanctions: imprisonment not exceeding 4 years or a fine not exceeding 400,000 Baht, or both.

- Bringing into Thailand, selling, offering, or possessing for sale products bearing an imitated trademark, certificate mark, or collective mark of another person.

Penal sanctions: imprisonment not exceeding 2 years or a fine not exceeding 200,000 Baht, or both.

- Providing a service or offering to provide a service by using a forged service mark, certification mark, or collective mark.

Penal sanctions: imprisonment not exceeding 4 years or a fine not exceeding 400,000 Baht, or both.

- Providing a service or offering to provide a service by using an imitated service mark or certification mark or collective mark of another person.

Penal sanctions: imprisonment not exceeding 2 years or a fine not exceeding 200,000 Baht, or both.

Other remedies provided under the Trademark Act:

- Forfeiture: all products brought into the Kingdom, sold, offered or possessed for sale by an offender liable under this Act shall be forfeited irrespective of conviction or non-conviction of any particular person.

2. Copyrights - the Copyright Act B.E. 2537 (1994);

The following acts in relation to copyrighted work constitute infringement under the Copyright Act:

- Reproduction, adaptation, or dissemination to the public of copyrighted work without the consent of the copyright owner. (Section 27)
- Reproduction, adaptation, dissemination to the public, or rental of the original or a copy of audio-visual works, cinematographic works, or sound recordings whether in relation to their records and/or visual images without the consent of the copyright owner. (Section 28)
- Making of cinematographic work, audio-visual works, whether wholly or in part, rebroadcasting sound and video works, whether wholly or in part, or presenting for public viewing and listening sound and video broadcasting works for a fee or for other commercial benefit without the consent of the copyright owner. (Section 29)
- Reproduction, adaptation, dissemination to the public, or rental of the original or a copy of computer programs without the consent of the copyright owner. (Section 30)
- Selling, keeping in possession for sale, offering for sale, renting, offering for rent, selling by hire-purchase or offering for hire-purchase, disseminating to the public, distributing in such a manner as to be prejudicial to the rights of the copyright owner or importing or making an order for importation into Thailand, for the purpose of seeking profit, by any person who is aware or should have been aware that a particular work has been made by infringing a copyrighted work shall be deemed to commit infringement of copyright. (Section 31)

Penal sanctions: If the violation of Section 27 to Section 30 is committed for commercial purposes, the offender shall be liable to imprisonment of six months to four years or a fine of 100,000 Baht to 800,000 Baht, or both (Section 69). The violation under Section 31, if for commercial purposes, the offender shall be liable to imprisonment of three months to two years or a fine of 50,000 Baht to 400,000 Baht, or both.

- Other remedies provided under the Copyright Act:

Forfeiture: All articles made in or imported into Thailand which constitute an infringement of copyright or performers' right pursuant to this Act, and are owned by the offender under Section 69 or Section 70, shall become the property of the owner of the copyright or performer's rights, whereas all articles used for committing a violation shall be forfeited.

3. Patents - the Patent Act B.E. 2522 (1979) as amended by the Patent Act (No. 2) B.E. 2535 (1992) and the Patent Act (No.3) B.E. 2542 (1999);

The following acts in relation to patented work constitute infringement under the Patent Act:

Infringements in the case of patented product:

- Producing, using, selling, possessing for sale, offering for sale, importing into Thailand patented products without the permission of the patentee.

In the case of patented process:

- Using the process stated in the patent, producing, using, selling, possessing for sale, offering for sale, or importing into Thailand products made by the application of the patented process with out the permission of the patentee constitute patent infringement.

Penal sanctions: any person who commits the above mentioned acts shall be sentenced to not more than two years or fined not more than four hundred thousand Baht, or both.

Other remedies provided under the Patent Act:

- Injunction: In the case where there is clear evidence that a person has committed or is about to commit an act in violation of a patentee's or a petty patentee's rights under Section 36 or Section 63 or Section 65 decies together with Section 36, the patentee or petty patentee may apply to the court for an injunction against the said person to stop or refrain them from committing such act. The court's issuance of such an injunction shall not curtail the patentee's or the petty patentee's right to claim for damages under Section 77 ter.
- Compensation for damages: In the case where a patentee's or a petty patentee's right has been violated under Section 36 or Section 63 or Section 65 decies with Section 36, the court has the power to order the violator to pay compensation for damages to the patentee or the petty patentee in such amount as the court considers appropriate, taking into consideration the seriousness of the damages as well as loss of benefits and the necessary expenses incurred in enforcing the rights of the patentee and the petty patentee.
- Forfeiture and destruction of infringing goods: All the goods in the possession of the infringer resulting from an act which was in violation of the patentee's or the petty patentee's rights under Section 36 or Section 63 or Section 65 decies with Section 36 shall be confiscated. In the case where the court considers it appropriate, the court may issue an order for the destruction of said goods or other measures to prevent further distribution of said goods.

4. **Layout-designs of integrated circuits - the Protection of Layout-Designs of Integrated Circuits Act B.E. 2543 (2000); and**

The following infringement in relation to a registered layout-design constitutes criminal liability under the Protection of Layout-Designs of Integrated Circuits Act:

- Reproducing the layout-design in respect of which is accorded protection under this Act.

Penal sanctions: a fine from 50,000 Baht up to 500,000 Baht.

- Importing into Thailand, selling or distributing by any means for commercial purposes the layout-design in respect of which it is accorded protection or an integrated circuit in which the protected layout-design is incorporated or a product in which such integrated circuit is incorporated.

Penal sanctions: a fine from 20,000 Baht up to 200,000 Baht.

- Other remedies provided under the Protection of Layout-Designs of Integrated Circuits Act:
Forfeiture: in the case where the Court has entered a judgment that an offender has committed an offence under Sections 48 and 49, the Court shall order the seizure of all layout-designs, integrated circuits or products infringing the rights of the right holder that are in possession of the offender. In the case where the Court thinks fits, it may order the destruction of such layout-designs, integrated circuits or products or the performance of any other act to prevent future distribution thereof.

5. Plant varieties - the Plant Varieties Protection Act B.E. 2542 (1999)

The following acts in relation to plant varieties work constitute infringement under the Plant varieties Act:

- Produce, sell or distribute in any manner, import, export or possess for the purpose of any of the said acts the propagating materials of the new plant variety; or
- Develop, study, conduct an experiment or research in, produce, sell, export or distribute by any means the propagating material of a local domestic plant variety which is already registered.

Penal sanctions: imprisonment not exceeding 2 years or a fine not exceeding 400,000 Baht, or both.

- Forge or imitate a mark or commit any act for the purpose of misleading other persons that a given plant variety is a protected plant variety under the Act.

Penal sanctions: imprisonment for a term of six months to five years and a fine of 20,000 to 200,000 Baht.

6. Other Intellectual Property-Related Laws

Other than the sui generis legislation as aforementioned, Thailand is working on two draft laws, which are the draft Geographical Indications Bill and the draft Trade Secrets Bill. The draft Geographical Indications Bill is currently under consideration of the House of Representatives. Its underlying principle is to prevent the use of any geographical indication in a manner, which misleads or causes confusion to the public as to the geographical origin/source of the goods.

Another soon-to-be law that was recently approved by the Senate with minor changes and was sent back to the House of Representatives for final approval is the draft Trade Secrets Bill. It is expected that the draft Trade Secrets Bill should be promulgated soon. The Bill is principally aimed to protect undisclosed information of commercial value.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

Conditions of the penal liability on intellectual property rights are detailed in 2.1.

And in particular, does this penal liability require a special intentional element?

A special intentional element would be required in the following cases:

Trademarks

- One has to prove imitation of a registered mark to the satisfaction of the court in order to establish the intention to mislead and/or confuse consumers into believing that it is the mark of other person.

Copyrights

- To establish intention for “trading purposes”, one has to show proof to the Court in case of infringement committed by selling, keeping in possession for sale, offering for sale, renting, offering for rent, selling by hire-purchase or offering for hire-purchase, disseminating to the public, distributing in such a manner as to be prejudicial to the rights of the copyright owner or importing or making an order for importation into Thailand, for the purpose of seeking profit, by any person who is aware or should have been aware that a particular work has been made by infringing a copyrighted work.

Patents

There is no special intention required on any criminal liability on patent infringement.

Layout-designs of integrated circuits

- To establish intention for “commercial purposes”, one has to show proof to the Court that the infringement was committed by importing into Thailand, selling or distributing the layout-design or an integrated circuit in which the protected layout-design is incorporated or a product in which such integrated circuit is incorporated.

Plant varieties

There is no special intention required on any criminal liability on infringement of plant variety.

Who has the burden of proof of this intentional element?

Plaintiff(s)

Is this special intentional element supposed or must it be proven positively?

In criminal action, the burden of proof is very high. If any reasonable doubt exists, the benefit of doubt will be given to the accused. As such, no judgment of conviction will be delivered unless and until the court is fully satisfied that an offence has actually been perpetrated and that the accused has committed that offence.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

The acts of intellectual property infringement or counterfeiting are slightly different in case of civil and criminal liability. Civil liability may occur in case of negligence, but criminal liability will arise only when person commits an act intentionally.

The groups must indicate if the civil and penal liabilities are, in fact, likely to be engaged for the same acts of counterfeiting.

The civil and criminal liabilities are likely to arise for the same acts of counterfeiting. As aforesaid, intellectual property infringement is a civil and criminal offence.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

As stated above, the terms of limitation of the acts of infringement of an IPR are different from the point of view of civil and criminal liability.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

Intellectual property laws prohibiting counterfeiting activities are enforceable through criminal actions and as such penal liability is provided against any person if conditions are met as detailed in 2.1 and 2.2.

- 2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

Yes. The Central Intellectual Property and International Trade Court (IT&IP Court), which has jurisdictions over a civil and criminal case, has the capacity to rule on the question of validity of an intellectual property right in a criminal case.

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

N/A

- 2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Please see answers in question 2.1

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

No. The court is not qualified to allocate damages as criminal sanctions only provide penalties of fines and/or imprisonment. The owner of all types of intellectual property rights must proceed with a civil action in order to seek compensation for damages.

However, the provision of the Copyright Act allows the court to allocate one half of the fine paid in accordance with the judgment to the intellectual property owner.

- 2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

Basic understanding of Thai legal system

Under current Thai laws, only the rightful owners of intellectual properties, are entitled to take legal actions against counterfeiters. Neither main distributors nor sub-distributors, whether exclusive or non-exclusive, may take legal actions; unless they are authorized by intellectual property owner as evidenced by Power of Attorney.

Upon discovery of evidence of counterfeit activities, an intellectual property holder may file criminal charges against a counterfeiter either by lodging a complaint directly to the Intellectual Property and International Trade Court ("IP&IT Court") or to the police authorities concerned who have jurisdiction to handle intellectual property enforcement, i.e., the Economic Crime Investigation Division ("ECID"), the Crime Suppression Division ("CSD") or the local district police.

In practice, most intellectual property owners will elect to file a criminal complaint with the concerned police authorities because it is more efficient and cost-effective. If an intellectual property owner elects to lodge a criminal complaint with the police authorities, sufficient evidence of the infringement (e.g. sample of the counterfeit goods, exact location where the infringement took place, documentation establishing the intellectual property owner's exclusive rights to the intellectual property right that is being infringed, etc.) must be presented. Once the police authorities are satisfied that there is a prima facie case of infringement, they will request the Court for a search warrant. If the search warrant is granted, the police authorities, usually accompanied by representatives of the intellectual property owner (i.e. lawyers, investigators, etc.), will proceed to raid the counterfeiter's premises and seize all counterfeit goods and arrest the responsible person (present at the time of the raid). Once

the search and seizure have taken place, the police will collect further evidence including statements from all parties concerned and prepare the case for submission to the public prosecutor for prosecution of the counterfeiter. Once the case goes to trial, if the counterfeiter pleads guilty or is found to be guilty by the Court, the counterfeit goods will be confiscated by the Court and eventually destroyed.

The success of a raid depends largely on efficient co-ordination between all parties concerned (lawyers, police authorities, investigators) and the speedy performance of each of their respective functions. Attention must be given to ensure no “tip offs” occur. The proprietor’s joint efforts would support raid actions by providing supporting documents as required by the authorities in a timely fashion. In addition, the proprietor would guide the attorney to identify counterfeit goods, and if necessary, the proprietor would make personnel available to inspect the seized products and testify, if necessary, before the authorities, as and when required.

The proprietor may elect to join as a co-plaintiff with the public prosecutor. Joining as a co-plaintiff usually ensures that the seized products are destroyed or disposed of, once the criminal proceedings are over.

However, where the case is brought by the proprietor’s own efforts directly to the IP&IT Court, the injured party must be responsible for gathering all evidence against the counterfeiters to present to the court. Further, before the court accepts the case, the proprietor must also prove to the court that the case sufficiently substantiates the offence(s) the counterfeiters are accused of committing. Once a complaint has been filed, the intellectual property owner will have to establish a prima facie case of infringement in a preliminary hearing in which the counterfeiter will have an opportunity to put up a defence. Therefore, in most instances, it is not practical to file a complaint directly with the IP&IT Court.

In an attempt to remedy the hindrance as discussed above when filing a criminal complaint, in order to preserve evidence in possession of suspected infringers which may be lost or moved prior to the case being instigated with the IP&IT Court, an injured party may file a petition with the IP&IT Court requesting a warrant (commonly known as the Anton Pillar-Type Order) to seize the evidence on an emergency basis.

In the petition, the injured party must state the facts showing the emergency situation which, if the other party or the third party involved is to be notified beforehand, the evidence will be damaged, lost, destroyed or, due to some other reasons, difficult to be adduced at a later stage.

If the IP&IT Court agrees to grant a warrant as such, the IP&IT Court may order the injured party to provide security for any damage that might be incurred, in the amount, within the period and under any condition the IP&IT Court deems appropriate. Upon issuance of the warrant and the court’s order for a seizure, a competent officer together with the injured party or a person authorized by injured party will conduct a search at the designated premises.

Burden of proof of the infringement

The plaintiff always has a burden of proof in intellectual property infringement cases.

Possibility settlement of the case

Settlement out of court is only possible in case of copyright infringement.

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

Time of procedures

In general, unless the defendant pleads guilty to the charge(s), criminal proceedings can currently take up to one year in the IP&IT Court. However, in case where the defendants

plead guilty, the arraignment, entering of the plea, and sentencing will take place in one hearing.

Costs

It is difficult to estimate the cost of criminal proceedings against an infringer because it varies from case-to-case, depending on the complexity and time spent on the case.

If an intellectual property owner elects to file a criminal charge by lodging a complaint to the IP&IT Court, there will be a small amount of court fee but the costs incurred in litigation, attorney fees and disbursements are difficult to estimate. Alternatively, most of the cost will be incurred from conducting a raid action in case where a criminal charge has been lodged to the police authorities, which is also difficult estimate depending on the target and any complications that may arise.

Number of criminal cases against Intellectual Property Rights Violation

1 January - 30 September 2001

	<i>Left over from 2000</i>	<i>Cases filed</i>	<i>Total</i>	<i>Cases disposed</i>	<i>Forward</i>
The Trademark Act					
- Counterfeiting (Section 108)	0	31	31	28	3
- Imitating (Section 109)	0	5	5	1	4
- Importing, selling, offering for sale of goods under Sections 108, 109	6	1274	1280	1271	9
- Giving or offering of service under Sections 108, 109	0	0	0	0	0
Total	6	1310	1316	1300	16

	<i>Left over from 2000</i>	<i>Cases filed</i>	<i>Total</i>	<i>Cases disposed</i>	<i>Forward</i>
Copyright Act					
- Copyright infringement (Section 27)	0	0	0	0	0
- Infringement of audiovisual work, cinematographic work, sound recording	1	0	1	0	1
- Infringement of computer program (Section 30)	5	0	5	0	5
- Selling, offering for sale of work infringing the copyright (Section 31)	122	962	1084	889	195
- Computer program	67				
- Other forms of literary work	22				
- Cinematographic work	315				
- Sound recording	263				
- Art work	107				
- Musical work	165				
- Audiovisual work	23				
- Infringement of performer's rights	0	0	0	0	0
Total	128	962	1090	889	201

	Left over from 2000	Cases filed	Total	Cases disposed	Forward
The Patent Act	0	5	5	5	0
<i>Total</i>	0	5	5	5	0
<i>Total of all criminal cases</i>	184	2320	2504	2232	272

Source: www.cipitc.or.th

- 2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

An expert witness appears in the court to give his/her opinion on the issue in dispute. For example, the court may call the Trademark Registrar to provide his/her opinion on registrability of the disputed mark.

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

The opinions of the technical experts can be used to show to the court as to whether the validity of a right exists or not. After the court sought such knowledge or additional opinions from technical witness, the court will be able to rule on the disputed issue.

The doubt on the validity of intellectual property right is not taken into consideration to appreciate the intentional element of the penal offence. If the intellectual property right is valid, criminal liability will be exist whether the accused was aware of the validity of the right or not.

- 2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

Criminal sanctions are helpful to deter violation of intellectual property right and are beneficial to the right owner in decreasing infringement activities. In addition, providing criminal sanctions as a government tool to protecting intellectual property right may encourage foreign investment and international trade.

3. Proposal for solutions for the future

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future, which could form the subject of a harmonization at the international level.

- 3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?*

In Thailand, criminal sanctions are available under all intellectual property laws.

- 3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Under Thai law, a person shall be criminally liable only when such person commits an act intentionally, except in the case where the law provides that such person must be liable when such person commits an act by negligence, or except in the case where the law clearly provides that such person must be liable even though such person commits an act unintentionally. However, intellectual property laws do not provide that a person must be liable in case of committing on act unintentionally.

Should this violation be deliberated?

Yes.

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

The right owner has to prove without doubt the alleged issues of the case including the issue of the existence of the intentional element even though the court is able to clearly see this from the nature of the infringement.

- 3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

The judge in a criminal case should be able to rule on the issue of validity of intellectual property right. Please refer to the answer in question 2.5.

- 3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Yes. In practice, the intellectual property owner must be a master of the criminal proceeding to ensure that the police carry out the search of the infringer's premises, seize all infringing products, and arrest the infringer as quickly as possible. However, with regard to, for example, trademark and patent infringement, the police authorities have a duty to arrest the infringers upon the discovery of infringement and should strictly follow their duty. Unfortunately, in practice, this does not occur. It is therefore up to the intellectual property owner to initiate and oversee the successful prosecution of the counterfeiters.

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

Yes.

4. **Various**

The groups are invited to announce all other aspect of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.

Indeed, taking into account the pioneer character of the question, the AIPPI wished to profit from the experience of the national groups, even when some situations can appear exceptional, for, if required, being able to draw the consequences from it on the international level.

N/A

Report Q169

in the name of the United Kingdom Group
by Nicholas MacFARLANE, Ashley ROUGHTON, David HARRISON, Geoffrey BAYLISS,
Peter MOLE and Roland MALLINSON

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

2. Substantive Law

2.1 *The groups are invited to indicate if the provisions of Article 61 of the TRIPS treaty were introduced into their national legislation with regard to trademarks and copyright.*

i) Trade Marks

Such provisions already existed and the legislation was not adjusted in relation to Article 61. Sections 92, 94 and 95 of the Trade Marks Act 1994 (TMA), provide that an individual found guilty of an offence under these sections can be fined, imprisoned, be made subject to community penalties, be placed on probation or be discharged either conditionally or absolutely.

The offences under S 92 are applying a sign (similar or identical to a registered trade mark) to goods, the labelling, packaging, advertising, selling, hiring or distributing of such goods, and being in possession of goods with a view to committing any such offence. It is also an offence to make any equipment designed to produce such goods or be in possession of such equipment.

Under S 94 and 95 it is an offence to falsify the register of trade marks or falsely represent a trade mark as being registered.

ii) Copyright

Sections 107-110 of the Copyright, Designs and Patents Act 1988 (CDPA) anticipated Article 61 in relation to copyright. An individual found guilty of an offence under these sections can be fined or imprisoned.

In relation to both trade marks and copyright, individuals may also be guilty of offences under English criminal law such as theft, conspiracy or incitement, even if they did not themselves carry out the act concerned. Depending on the nature of the act, further offences may also be committed under the Trade Descriptions Act 1968 or the Consumer Protection Act 1986.

Do the national laws provide penal sanctions in the case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

There are no criminal sanctions for patent infringement or infringement of a registered or unregistered design right.

However, if the confidential information is on paper, for instance, then the taking of the paper may be actionable as theft.

S 198 of the CDPA provides criminal sanctions for infringing a person's performance rights. Under this section it is a criminal offence to make, deal or use illicit recordings of a performance and the sanctions for such an offence are a fine or imprisonment.

The law of passing off does not provide for any criminal sanctions.

However, it should be noted that persons conspiring to infringe any of the above rights may be criminally liable for such conspiracy.

2.2 *The groups are invited to present the conditions of the penal liability for the acts of the infringement of the intellectual property rights*

- a) *does this penal liability require an intentional element?*
- b) *who has the burden of proof?*
- c) *is this special intentional element supposed or must it be proven positively?*

- a) i) Trade marks
S 92 TMA requires that the wrongdoer commits the offence with a view to gain for himself or another, or with intent to cause loss to another. The wrongdoer need not actually make a 'gain', but must act with that object in mind. Therefore intent is involved.

A further requirement under S 92 TMA is that the consent of the proprietor is lacking.

- ii) Copyright/Rights in Performances
S 107 and S 198 CDDA apply only to acts done in the knowledge that they are offences or where the person had reason to believe that they were offences. Therefore some intentional element is clearly required.

- b) In relation to all these rights the prosecution has the burden of proof as to the substance to a standard of beyond reasonable doubt. The defence has the burden of proving exceptions or specific defences to the lower standard of the balance of probabilities.
- c) In relation to all these rights, the intentional element must be positively proven, it will not be supposed.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability*

- i) Trade marks
The Trade Marks Act 1994 lays down certain acts that amount to civil infringement and certain acts that amount to criminal offences. The lists are not identical and current case law is unclear.
- ii) Copyright/Rights in Performance
The principal difference between civil and criminal liability is that criminal sanctions only relate to commercialisation (such as importation, making copies for sale, keeping for sale, and so on), save for the act of giving away infringing copies where it is detrimental to the rights of the copyright owner. Additionally, in the criminal context the intentional element is required, that being a knowledge that the work in question is infringing or illicit.

The groups must also indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

It is not common for civil and criminal proceedings to relate to the same acts of counterfeiting, but it is not unknown. The same is true for pirated copyright works and works constituting performances.

Are the terms of the limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

Civil liability only accrues if action is taken within 6 years from the date of infringement, unless the infringement was deliberately concealed, in which case the 6 year period starts to run from the time that infringement could reasonably have been uncovered.

In relation to criminal liability there is no time limit, though a criminal court will stay as an abuse of process any prosecution where a fair trial would be impossible due to delay.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

A company can face penal sanctions for infringement under the TMA and CPDA. In addition, its officers can be held personally liable for the commission of any offences under the TMA or CPDA where they have consented to or connived in the offence. Officers who may be liable include directors, managers, company secretaries or other similar employees.

2.5 *Does the penal court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this only the concern of a civil jurisdiction?*

The criminal courts would not have jurisdiction on this matter, it would be left purely for the relevant civil court to decide.

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

The position in the UK is unclear. There is no provision permitting the criminal court to adjourn a case so that the question of validity can be taken up by the civil court, but the criminal court does have a general power to adjourn. We are aware of at least one case where the criminal court has granted a general adjournment so that the defendant can apply to the civil court to impugn the validity of a trade mark.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringements of intellectual property rights*

i) Trade marks

Sanctions under S 92(6) TMA are as follows:

- a) on summary conviction¹ to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum (currently £5,000), or both;
- b) on conviction on indictment² to a fine or imprisonment for a term not exceeding ten years, or both.

ii) Copyright

Under S 107(5) CDPA, a person guilty of an offence is liable on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding level 5 on the standard scale (currently £5,000). The penalty is higher under S 107(4) where the infringing article was made for sale/hire, imported or distributed. In this situation a person is liable:

- a) on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum (currently £5,000), or both;
- b) on conviction on indictment to a fine or imprisonment for a term not exceeding two years³, or both.

¹ summary conviction is where the defendant has been tried or pleaded guilty in a lower court where the offence is not regarded as being so serious.

² conviction on indictment is where the offence is regarded as being serious and involves a trial by jury in the Crown Court.

³ The Copyright, Etc. and Trade Marks (Offences and Enforcement) Bill (a recently launched Private Members' bill) seeks to increase the penalties for copyright offences to 10 years in prison, in line with sanctions for trade mark offences.

iii) Rights In Performances

Under S 198(6) CDPA, a person guilty of an offence is liable on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding level 5 on the standard scale. The penalty is higher where the illicit recording was made for sale/hire, imported or distributed. In this situation a person is liable:

- a) on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum (currently £5,000), or both;
- b) on conviction on indictment to a fine or imprisonment for a term not exceeding two years, or both.

It should be noted that all of the above sanctions are maxima and are rarely used. In many cases a lesser sentence is imposed which may be a conditional or absolute discharge, a community punishment order, a probation order or a suspended sentence. An individual may also be barred from holding corporate office.

On conviction for conspiracy to defraud in relation to all of the above rights, the penalty can be no more than the appropriate substantive right. Further, directors of companies can face disqualification for periods of time.

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by victims of the acts of counterfeiting or is this question only the concern of the civil courts?

The allocation and quantum of damages is a question for the civil courts only. The principal function of criminal proceedings is to punish the offender and therefore any fines imposed are not received by the victim of the infringer.

However, under S 130 of the Powers of Criminal Courts (Sentencing) Act 2000, a criminal court can make an award of compensation to be paid by the accused (if convicted) to the victim. The limit on any payment is £5,000 on summary conviction, but is otherwise unlimited. However, the criminal court is unlikely to make an order if the defendant cannot comply with it and thus face bankruptcy. Further in our experience such orders are rare.

Clearly this is of limited use in practice as an owner whose rights have been infringed will probably be seeking greater compensation and a range of civil remedies and will therefore issue civil proceedings as well.

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning*

a) *the person vested with the right to initiate a penal procedure*

The Crown Prosecution Service⁴ (CPS) initiates a penal procedure. Proceedings may be brought in the Magistrates' Court or in the Crown Court. However, proceedings in the Crown Court may be brought by the Crown acting through the Director of Public Prosecutions⁵ or Attorney-General. Private prosecutions (brought by individuals or representative bodies) are also permissible both before the Magistrates and before the Crown Court. Additionally local authorities may prosecute where expressly empowered to do so, but they are currently only able to do so in relation to trade marks.

b) *the burden of proof [of the infringement]*

It is for the prosecution to prove their case, save where the defendant is in a better position to prove a certain fact (such as whether there is a licence) or a genuine belief of non-infringement.

c) *the possibility for the parties to settle the proceedings by agreement*

⁴ This is the state agency responsible for the conduct of public prosecutions and is the responsibility of the Attorney-General (the government's chief legal officer).

⁵ This is the civil servant appointed by the Attorney-General to run the CPS.

In criminal proceedings there would be no opportunity to 'settle' the proceedings by agreement. The only possibility would be a reduced sentence following the Defendant's co-operation with the CPS and police in their investigations. However, it is possible to reduce the gravity of the charge or reduce the number of charges if the prosecution come to the view that the remaining charges represent the overall gravity of the criminal behaviour and the public interest is served.

d) *other practical information*

The fact that penal sanctions are being invoked does not mean that civil proceedings cannot be brought. Any admissions or statements made in connected civil proceedings for infringement are generally inadmissible in the criminal proceedings.

And the groups are invited to provide, if they exist, the statistical data concerning the resorts to penal procedures (times of procedures, costs, amount of litigation, etc.)

These statistics are not compiled by specific reference to intellectual property crime and despite our best efforts such statistics do not exist. However, it is estimated⁶ that counterfeiting and piracy cost UK industry almost £9 billion in 2000, with a subsequent loss to the Treasury of over £1.5 billion in lost taxes.

In our experience, penal penalties have ranged from the low level of a 40 hour Community Punishment Order to the more severe sanction of 4 ½ years imprisonment. Any fines imposed have ranged from £100 to a high of £10,500. The highest costs order imposed is £35,000.

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

And in particular to indicate whether the opinions of the technical experts can be used to question the validity of a right and whether this doubt should be taken into account to when considering the intentional element of the penal offence.

Expert witnesses could be used if necessary in the criminal proceedings, but only in relation to the issues raised during that trial. As the criminal court has no jurisdiction over civil matters and could not decide the validity of the rights in question, an expert opinion on the validity of the rights could not be used to decide whether the offender 'intentionally' committed the offence in question.

Further in criminal cases it is necessary, before a witness can express an opinion as an expert, for him to be qualified as being expert in a field which is recognised as being one which calls for expertise, *i.e.* a recognised discipline or field of scholarship or study (whether academic or otherwise).

2.9 *Lastly, the groups are invited to make known their general opinion on the value of the penal sanctions for the infringement of intellectual property rights.*

The general view of the UK group is that penal sanctions should not be extended to other intellectual property rights. Criminal sanctions for the infringement of intellectual property rights are aimed at protecting personal rights within an economic context. Where economic loss is suffered due to infringement of intellectual property rights, civil proceedings provide a route for the recovery of that loss. Where infringement involves theft, fraud or deception, this should be dealt with under the relevant criminal law provisions.

Penal sanctions where provided can be useful, but are not as widely used as they could be. The tendency of the courts to give relatively light sentences diminishes their value as a deterrent.

Criminal proceedings are unsatisfactory wherever there is an issue of validity of the intellectual property rights.

⁶ By the Alliance Against Counterfeiting and Piracy (www.aacp.co.uk)

3. **Proposals for solutions for the future:**

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonisation at the international level.

3.1 *The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to other intellectual property rights, including the patents?*

The view of the UK group is that penal sanctions should not be extended to all the intellectual property rights, including patents.

3.2 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

Should this violation be deliberate[d]?

Yes, it should, but penal liability should also arise where a defendant ought to have known he was taking the risk of committing a criminal offence.

Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?

The burden is always on the prosecution to prove all the elements of the offence, including intention where necessary. The nature of the infringing article may well give rise to an inference of intent.

3.3 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

It is submitted that it is wrong for any but the most specialist and experienced tribunals to rule upon the validity of intellectual property rights. Given the very wide range of cases before the criminal courts it is inappropriate for a general criminal judge to rule upon such validity. Even if this were not so, the difficulties in running cases before lay judges or juries are too large to contemplate in a limited budget legal system. At present our legal system does not allow the criminal judge to rule upon the validity of such rights but neither does it preclude an effective reference to the appropriate civil court to rule upon such things, adjourning the criminal proceedings in the meantime. This does, however, require the supervision by the criminal courts of the civil process which is constitutionally undesirable.

To this we add four observations. Firstly, the defendant in criminal proceedings should not be convicted (or stand the liability of being so convicted) where his liability depends upon uncertain law or upon facts which he could not possibly understand. Secondly, there is a danger that if the adjournment is lengthy then the memories of witnesses could fade and that could prejudice the rights of both prosecutors and defendants, making a fair trial impossible. The possibility of a lengthy adjournment is greater in the case of the validity of intellectual property rights because of the possibility of final and interlocutory appeals. Thirdly, we also observe that it is of the utmost importance that invalid intellectual property rights should not be relied upon whether in a civil or criminal context. Fourthly, as there is a move towards internationally subsisting rights (eg. the Community Trade Mark), we would be seriously concerned at the prospect of a judge inexperienced in intellectual property matters undermining such rights.

3.4 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

No. However there is nothing to stop the victim of counterfeiting from being the prosecutor as opposed to the state. Once started, it is difficult for the victim to settle the proceedings with the defendant since it may be perceived as being a perversion of the course of justice.

Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?

Yes, under our law there is nothing to stop evidence in criminal proceedings from being used in civil proceedings, though there are safeguards and procedures which must be followed. This should cause no difficulty as there is no compulsion in criminal proceedings on a defendant to incriminate himself.

4. Various

The groups are invited to announce all other aspect[s] of the question which could result from the examination of the questions above and which would not be expressly mentioned in the working guidelines.

In relation to trade marks, the Court may order forfeiture of goods in respect of which an offence under S 92 TMA has been committed.

Under the CDPA a copyright owner may ask the Court for an order "delivering up" (transferring to him) infringing copies and may, under certain conditions, seize infringing copies in the possession of a person not at a permanent place of business (ie. from street vendors and the like). A copyright owner also has these rights in relation to devices for the circumvention of copy-protection or in relation to the publication of information to enable or assist circumvention of copy-protection of a copyright work in electronic form.

Additionally, with regard to trade marks, copyright, patents and design rights (registered and unregistered) the Commissioners of Customs and Excise may prohibit importation of infringing goods when notice is given by the rights owner.

UK law also provides a power for courts to order the confiscation of assets and money from defendants that have been convicted of acquisitive crimes, i.e. from which they have derived a "benefit". These are expressly stated to include offences under the trade marks and copyrights statutes and apply to both lower and higher courts.

Once the prosecutor applies for the order on the basis that the required criteria apply, the court has a duty to make the order so long as some "benefit" was derived. Often the value of the "benefit", exceeds the realisable assets. This is because, firstly, the "benefit" is deemed to include everything passing through the defendant's hands, whether or not it is still in his possession. Secondly, if the defendant has been convicted of two or more such offences or it is his second conviction for such offences within the last six years, then the very powerful statutory assumptions apply. These entitle the court to presume that all assets that have passed through the defendant's hands in the previous six years derived from the criminal activity.

It is then for the defendant to prove otherwise. If the "benefit" exceeds the realisable assets, the court has a duty to order the confiscation of all of the defendant's assets. If not, the court can order confiscation of an amount up to the "benefit" level. The impact is that confiscation orders can lead to very significant payments. They are ordered in addition to any fine or prison sentence and, indeed, courts are obliged to set an additional prison sentence for non-payment.

Whilst these are wide-ranging powers, they are very rarely used in the context of IP crime (they were first enacted only to combat drugs and terrorism). This is largely because the prosecuting authorities have insufficient resources to devote to the additional procedures involved. There is also a general lack of awareness that the powers exist.

Summary

Article 61 of the TRIPS treaty already appears in UK legislation. In the UK there are criminal sanctions for infringement of trade marks, copyright and rights in performances. These existing penal sanctions are not as widely used as they could be.

The view of the UK group is that criminal sanctions should not be extended to other intellectual property rights, including patents. Infringement of such rights should be dealt with by the relevant civil procedure. Where infringement involves theft, fraud or deception, this should be dealt with under the appropriate criminal law provisions.

Résumé

L'Article 61 de l'Accord ADPIC (TRIPS) apparaît déjà dans la législation britannique. Au Royaume Uni, des sanctions pénales sont prévues pour la contrefaçon de Marques, Copyright et droits relatifs aux Représentations Publiques. Ces sanctions pénales ne sont pas appliquées aussi largement qu'elles pourraient l'être.

L'opinion du groupe Royaume Uni est que les sanctions pénales ne devraient pas être étendues aux autres droits de propriété intellectuelle, y compris le droit des brevets. La contrefaçon de ces droits devrait relever de la procédure civile compétente. Lorsque la contrefaçon implique le vol, la fraude ou la supercherie, ces actes devraient être soumis aux dispositions pénales correspondantes.

Zusammenfassung

Artikel 61 des TRIPS Vertrages (Agreement on Trade Related Aspects of Intellectual Property Rights) ist schon in der britischen Gesetzgebung erschienen. Im Vereinigten Königreich gibt es gesetzliche Strafen gegen die Verletzung von Marken-, Urheber- und künstlerischen Vorführungsrechten. Diese bestehenden gesetzlichen Strafen werden nicht ausreichend in Anspruch genommen.

Die Gruppe des Vereinigten Königreichs ist der Ansicht, dass diese gesetzlichen Strafen nicht auf andere Rechte geistigen Eigentums, einschließlich Patentrechte, erstreckt werden sollten. Verletzungen solcher Rechte sollten in entsprechenden zivilrechtlichen Verfahren behandelt werden. Fälle wo die Rechtsverletzung auch Diebstahl, Betrug oder Irreführung einschließt sollten im Einklang mit den entsprechenden strafrechtlichen Vorschriften abgewickelt werden.

Report Q169

in the name of the United States Group
by John M. MURPHY

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

1. Introduction

Violators of intellectual property rights have long been subject to criminal prosecution in the United States. The State of New York enacted penal sanctions against trademark counterfeiting in 1847, and 39 other states followed suit by 1899. Copyright infringement has been a federal crime since 1909.

Today, most criminal prosecutions in the intellectual property field are based on the Trademark Counterfeiting Act of 1984, the Copyright Act of 1976, The Piracy and Counterfeiting Amendments Act of 1982 and the Economic Espionage Act of 1996. The U.S. Congress, the judiciary and federal prosecutors appreciate that the proliferation of counterfeit goods and services is not merely a threat to private interests. Counterfeiting threatens public health, welfare and safety, and has a negative impact on the national economy as a whole.

2. Substantive law

The groups are invited to present the legal system currently into force in their countries from the point of view of the implementation of the penal sanctions of the intellectual property rights.

2.1 *More particularly, the groups are invited to indicate if the provisions of article 61 of the TRIPS Treaty were introduced into their national legislation with regard to the trademarks and to the copyright.*

U.S. legislation is in compliance with the requirements of TRIPS Article 61. These laws were mostly in place when the United States became a party to the treaty, and include, among others, the Trademark Counterfeiting Act of 1984, the Copyright Act of 1976, The Piracy and Counterfeiting Amendments Act of 1982 and the Economic Espionage Act of 1996. These statutes are discussed in detail below.¹

Do the national laws provide penal sanctions in case of the violation of other rights of intellectual property such as patents, models, unfair competition and so on?

The Trademark Counterfeiting Act of 1984, 18 U.S.C. § 2320, penalizes the counterfeiting of registered trademarks and symbols of the United States Olympic Association. 18 U.S.C. §2320(e)(1)(B); 36 U.S.C. § 220706. Colors, scents, sounds, product configurations, packaging, labels and other forms of trade dress fall within the ambit of the Act if registered as trademarks. U.S. law is permissive regarding the registration of non-traditional marks. *Qualitex Co. v. Jacobson Products Co.*, 115 S.Ct. 1300 (1995) (color of dry cleaning press pads); *In re Clarke*, 17 U.S.P.Q.2d 1238 (T.T.A.B. 1990) (scent of sewing thread and embroidery yarn); *In re General Electric Broadcasting Co.*, 199 U.S.P.Q. 560 (T.T.A.B. 1978), (series of bell rings for radio broadcasting services); *In re Morton-Norwich Products, Inc.*, 671 F.2d 1332 (C.C.P.A. 1982) (configuration of container for spray starch, soil and stain

¹ For the full text of these statutes, see the web site of the United States Department of Justice, Criminal Division, at <http://www.usdoj.gov/criminal/cybercrime/iplaws.htm>.

removers); *In re City of Anaheim*, 185 U.S.P.Q. 244 (T.T.A.B. 1974) (design of architectural structure for convention and trade show services).

Under the Piracy and Counterfeiting Act, 18 U.S.C. § 2318, it is a crime to traffic in counterfeit labels affixed to or enclosing copyrighted computer programs, motion pictures or other audiovisual works, or copyrighted sound recordings.

Economic espionage and trade secret misappropriation are criminal acts under the Economic Espionage Act of 1996. 18 U.S.C. §§ 1831-1832. While patent infringement is not a crime, the Patent Act of 1952 makes it a crime to forge letters patent (18 U.S.C. § 497), falsely represent that an article is patented or subject to a pending application, or falsely claim ownership of a patent. 35 U.S.C. § 292.

2.2 *The groups are invited to present the conditions of the penal liability for the acts for infringement of the intellectual property rights.*

To prove criminal trademark counterfeiting (18 U.S.C. § 2320), the prosecutor must show the defendant intentionally trafficked or attempted to traffic in goods or services, knowing that the goods or services bore a counterfeit mark. To qualify as "counterfeit", a mark must be "identical with, or substantially indistinguishable from", the trademark being copied.

The elements of criminal copyright infringement (17 U.S.C. § 506) are (1) ownership of a valid copyright, (2) infringement of the copyright, (3) willfulness, and either (4) infringement for the purpose of financial gain, or (5) reproduction or distribution of one or more copies worth \$1,000 or more during a 180-day period. To prove infringement, the prosecutor must present direct evidence of copying, or demonstrate that the defendant had access to the infringed work, and created a work substantially similar thereto.

To prove criminal trafficking in counterfeit labels (18 U.S.C. § 2318), the government must show that (1) the defendant acted knowingly, (2) the defendant affixed a label to a phonorecord, a copy of a computer program, the documentation or packaging for a computer program, or a copy of a motion picture or other audiovisual work, (3) the labels were counterfeit, (4) the matter is within the jurisdiction of the federal courts (e.g. the genuine label is the subject of a copyright registration, or the defendant's acts took place in interstate or international commerce).

The elements of criminal economic espionage (18 U.S.C. § 1831) are (1) the defendant stole, or without authorization of the owner obtained, destroyed or conveyed information, (2) the defendant knew or believed the information was a trade secret, (3) the information was in fact a trade secret, and (4) the defendant intended to benefit a foreign government, instrumentality or agent.

To prove criminal trade secret theft (18 U.S.C. § 1832), the prosecutor must show that (1) the defendant stole, or without authorization of the owner obtained, destroyed or conveyed information, (2) the defendant knew or believed the information was a trade secret, (3) the information was in fact a trade secret, (4) the theft was intended for the benefit of a party other than the owner of the trade secret, (5) the defendant intended to injure the trade secret owner, and (6) the trade secret related to a product to be placed in interstate commerce.

And in particular, does this penal liability require a special intentional element?

The Trademark Counterfeiting Act (18 U.S.C. § 2320) penalizes only intentional counterfeiting. However, only an intent to commit the criminal act is required; the defendant need not intend to violate the law. *U.S. v. Baker*, 807 F.2d 427, 430 (5th Cir. 1986). Further, intent may be inferred from circumstantial evidence. But see *U.S. v. Sultan*, 115 F.3d 321, 330 (5th Cir. 1997) (conviction vacated where "the government's case against Sultan goes beyond making reasonable inferences").

The Copyright Act requires proof that the defendant's acts were willful. 17 U.S.C. § 506(a). Evidence of reproduction or distribution of a copyrighted work is not, by itself, proof of willfulness. *Id.* Moreover, the defendant must know that his or her acts are prohibited by law. *U.S. v. Cross*, 816 F.2d 297, 300 (7th Cir. 1987). Nonetheless, knowledge and willfulness may be demonstrated by circumstantial evidence. *U.S. v. Manzer*, 69 F.3d 222, 227 (8th Cir. 1995) (willfulness inferred where the plaintiff's work bore a copyright notice).

The label counterfeiting statute, 18 U.S.C. § 2318, requires that the defendant acted "knowingly". The statute does not require that the defendant acted "intentionally". A defendant acts "knowingly" if he or she acts intentionally and voluntarily, and not because of ignorance, mistake, accident or carelessness.

The economic espionage statute requires that the defendant intends or knows that the theft of a trade secret will benefit a foreign government, agent or instrumentality. 18 U.S.C. § 1831.

In order to establish criminal trade secret infringement, the government must show that the defendant had an "intent to convert a trade secret". 18 U.S.C. § 1832(a).

In cases involving the forgery of letters patent, the prosecutor need not demonstrate intent. When the defendant is accused of publishing forged letters patent, however, it must be shown that the defendant knew the letters patent to be forged, counterfeit or altered. 18 U.S.C. § 497. The false marking of a patented item is criminal only if the defendant intends to counterfeit or imitate the patent marking, or intends to deceive the public. 35 U.S.C. § 292(a).

Who has the burden of proof of this intentional element?

Under each of the statutes discussed above, the government has the burden of proving the elements of the crime, including willfulness or intent, beyond a reasonable doubt.²

Is this special intentional element supposed or must it be proven positively?

Willfulness and intent must be proven by the prosecutor. As noted above, however, proof may take the form of circumstantial evidence.

2.3 *The groups must also indicate if there are differences between the acts of infringement of an intellectual property right from the point of view of the civil and penal liability.*

To establish trademark counterfeiting in either a civil or criminal case, the plaintiff or prosecutor must show that the counterfeit mark is "identical with, or substantially indistinguishable from" the legitimate mark.³ However, there are significant differences between civil and criminal counterfeiting actions. Only intentional acts of counterfeiting are subject to criminal sanctions. In civil cases, proof of intent entitles the plaintiff to enhanced monetary relief, but is not required to establish liability. Criminal sanctions apply only to the counterfeiting of registered trademarks. In a few civil cases, courts have granted relief in cases involving the counterfeiting of unregistered trademarks or trade dress. *Pepe (U.K.) Ltd. v. Ocean View Factory Outlet Corp.*, 770 F.Supp. 754, 759-80 (D.P.R. 1991).

In a civil action for copyright infringement, the plaintiff must show that it owns a valid copyright, and that the copyrighted work has been copied. Usually there is no direct evidence of copying, and the plaintiff must show, by way of circumstantial evidence, that the defendant had access to the copyrighted work, and the works are "substantially similar". The prosecutor in a criminal case must also show in addition to the above elements, (1) willful copyright infringement, (2) for purposes of commercial advantage or private financial gain, and (3) re-

² This contrasts with civil actions, in which the plaintiff need only prove its case by a preponderance of the evidence.

³ In civil actions for trademark infringement, the plaintiff need only show a "likelihood of confusion." There is no criminal liability for acts of infringement which do not rise to the level of trademark counterfeiting.

production or distribution of one or more copies with a retail value of more than \$1,000 over a 180-day period.

Civil plaintiffs and criminal prosecutors must prove the same elements to establish false use of a patent marking. 18 U.S.C. § 292.

While the Economic Espionage Act does not provide for civil actions by private parties, state statutes and the common law provide civil remedies against trade secret misappropriation. The elements, and the definition of "trade secret" (18 U.S.C. § 1839(3)) are largely the same in both civil and criminal actions. There is no civil counterpart to the crime of "economic espionage" set forth in 18 U.S.C. § 1831. Similarly, the label counterfeiting statute (18 U.S.C. § 2318) and the patent forgery statute (18 U.S.C. § 497) have no civil counterparts.

The groups must indicate if the civil and penal liability are, in fact, likely to be engaged for the same acts of counterfeiting.

As a matter of law, an act of criminal copyright infringement gives rise to civil liability. Similarly, an act of trademark counterfeiting constitutes both a civil and a criminal offense.

The U.S. Department of Justice filed 32 criminal copyright actions and 64 trademark counterfeiting actions in fiscal year 2000.⁴ During the twelve month period preceding September 30, 2000, private plaintiffs filed 2,263 copyright infringement actions and 2,925 trademark infringement actions.⁵ Given the different elements of proof in civil and criminal cases, it is impossible to determine the percentage of civil actions that might also have been prosecuted as criminal cases. Nonetheless, the percentage is almost certainly small.

Are the terms of limitation of these acts identical from the point of view of the civil liability and the point of view of the penal liability?

There is a five-year limitation on almost all non-capital federal crimes, including trademark counterfeiting. 18 U.S.C. § 3282. There is no statutory limitation on the filing of civil trademark counterfeiting actions, although undue delay may disentitle the plaintiff to certain types of relief. Under the Copyright Act, there is a three-year limitation on civil actions, and a five-year limitation on criminal actions.

2.4 *The groups must also indicate if their national laws provide the penal liability against a legal moral person for acts of counterfeiting.*

The legislation discussed above is applicable to both natural and legal persons. As discussed in Section 2.6 below, the penalties may vary depending on whether the defendant is a legal or natural person.

2.5 *Does the penal Court which rules on the penal liability for an act of counterfeiting have the capacity to rule on the question of the validity of an intellectual property right or is this appreciation only the concern of a civil jurisdiction?*

Federal courts in the United States have jurisdiction over both civil and criminal cases. The Court in a criminal case *must* determine that the victim owns a valid intellectual property right.

If the penal judge does not have the capacity to appreciate the validity of an intellectual property right and in particular to pronounce the revocation of it, is it possible for the defendant to the criminal proceedings in counterfeiting to ask a stay of proceedings in order to seize the civil judge, or the patent office, of the appreciation of the validity of the right which is opposed to him?

⁴ United States Department of Justice, *Fiscal Year 2000 Performance Report and Fiscal Year 2002 Performance Plan*, Appendix F.

⁵ Administrative Office of the U.S. Courts, *2000 Annual Report of the Director*, Supplemental Table C-2A.

Not applicable. See Section 2.5 above.

2.6 *The groups must also indicate which are precisely the sanctions envisaged by their penal legislation for acts of infringement of intellectual property rights.*

Under the Trademark Counterfeiting Act, a natural person may be fined up to \$2,000,000, imprisoned for up to 10 years, or both. A legal person may be fined up to \$5,000,000. A repeat offender may be fined up to \$5,000,000 and/or imprisoned for up to 20 years in the case of a natural person, or fined up to \$15,000,000 in the case of a legal person. 18 U.S.C. § 2320(a).

The defendant in a criminal copyright infringement action may be fined up to \$250,000 and/or imprisoned for 5 years for a first offense, and be fined up to \$250,000 and/or imprisoned for 10 years for a subsequent offense. 18 U.S.C. §§ 2319(b) and 3571(b), United States Sentencing Guideline § 2H3.2.

A person convicted of false patent marking may be fined up to \$500 per offense. 35 U.S.C. § 292(a).

The commercial theft of a trade secret may result in 10 years' imprisonment and a \$250,000 fine, in the case of a natural person, or a \$5,000,000 fine, in the case of a legal person. United States Sentencing Guideline § 2B1.1.

A natural person convicted of economic espionage may be fined up to \$500,000 and imprisoned for up to 15 years, and a legal person convicted of the same crime may be fined up to \$10,000,000. United States Sentencing Guideline § 2B1.1.

A person convicted of trafficking in counterfeit labels may be fined up to \$250,000 and imprisoned for up to 5 years.

A person convicted of forging letters patent may be imprisoned for up to 10 years.

Are the courts which impose penal sanctions also qualified to allocate damages in repair of the damage undergone by the victims of the acts of counterfeiting or is this question only the concern of the civil courts?

Under the Mandatory Victims Restitution Act of 1996, courts are required to make restitution to the victim of the offense "in addition to or in lieu of, any other penalty authorized by law. . ." 18 U.S.C. § 3663A(a)(1). The Act applies to crimes involving "an offense against property. . . including any offense committed by fraud or deceit". Intellectual property crimes are "offenses against property". *U.S. v. Cho*, 136 F.3d 982, 983 (5th Cir. 1998) (restitution award upheld in trademark counterfeiting case); *U.S. v. Bohai Trading Co.*, 45 F.3d 577 (1st Cir. 1995) (same); *U.S. v. Manzer*, 69 F.3d 222 (8th Cir. 1995) (restitution award of \$2.7 million upheld in case involving criminal copyright infringement and unauthorized decryption of cable television broadcasts).

2.7 *The groups are finally invited to give all practical information which they consider useful for the understanding of their legal system and in particular the information concerning the person vested with the right to initiate a penal procedure, the burden of proof of the infringement, the possibility for parties to settle the proceedings by an agreement, etc.*

Federal prosecutors (United States Attorneys) may file criminal actions. The prosecutor must prove a violation of the law beyond a reasonable doubt.⁶ Many cases are resolved through plea bargaining. For example, 41 of the 103 defendants charged with trademark counterfeiting in fiscal year 2000 pleaded guilty.⁷ Criminal cases in the United States are tried by jury, unless the defendant waives his or her right to a jury trial. The judges who preside over such trials do not specialize in intellectual property law.

⁶ As noted before, a "preponderance of the evidence" standard applies in civil cases.

⁷ United States Department of Justice, *Fiscal Year 2000 Performance Report and Fiscal Year 2002 Performance Plan*, Appendix F.

The Computer Crime and Intellectual Property Section of the United States Department of Justice, Criminal Division has recently revised a handbook entitled "Prosecuting Intellectual Property Crimes". This manual contains a wealth of useful material, and is available online at www.usdoj.gov.criminal/cybercrime/ipmanual/html.

And the groups are invited to provide, if they exist, for the statistical data concerning the resorts to penal procedures (times of procedure, costs, a number of the litigation in country etc).

The following statistical publications are available online:

- (a) United States Department of Justice, *Fiscal Year 2000 Performance Report and Fiscal Year 2002 Performance Plan*, <http://www.usdoj.gov/ag/annualreports/pr2000/TableofContents.htm>
- (b) Tabular Data regarding selected intellectual property cases, compiled by the Computer Crime and Intellectual Property Section of the U.S. Department of Justice, <http://www.usdoj.gov/criminal/cybercrime/ipcases.htm>
- (c) Administrative Office of the U.S. Courts, 2000 Annual Report of the Director, <http://www.uscourts.gov/judbus2000/contents.html>

2.8 *In addition, the groups are also invited to describe the role of the technical experts in this penal procedure.*

And in particular to indicate if the opinions of the technical experts can be used to show that the validity of a right is not obvious and that this doubt must be taken into account to appreciate the intentional element of the penal offence.

There is no need for expert testimony regarding obviousness, since there are no criminal prohibitions on patent infringement. Expert testimony may be useful for other purposes, for example to demonstrate copying of source code in a case involving computer software copyright infringement.

2.9 *Lastly, the groups are invited to make known their general opinion on the interest of the penal sanctions for the acts of violation of the rights of intellectual property right.*

The Trademark Counterfeiting Act, criminal provisions of the Copyright Act, and the Piracy and Counterfeiting Act are potent weapons against intellectual property crimes. Nonetheless, the resources of the U.S. Department of Justice are limited, and only a small percentage of intellectual property crimes are prosecuted. Consequently, civil remedies against intellectual property violations will remain the primary deterrent to such acts for the foreseeable future.

3. **Proposals for solutions for the future**

On the basis of the evaluation of the existing legal system in their country, the groups are invited to formulate proposals for the future which could form the subject of a harmonization at the international level.

The groups are invited to take position on the advisability of subjecting to penal sanctions the violation of all the intellectual property rights: Should the penal sanctions be extended to all the intellectual property rights, including the patents?

The United States group is not in favor of criminal penalties in patent cases.

3.1 *The groups are invited to formulate observations on the existence of the intentional element as condition required for the application of penal liability to the authors of infringement of intellectual property rights.*

The criminal laws should not apply unless the defendant's acts are willful or intentional.

3.2 *Should this violation be deliberated?*

No.

- 3.3 *Could the proof of the intentional character result from the nature of the infringement or does it have to be proven positively by the victim of the counterfeiting?*

The burden of proving intent should be on the prosecutor. In appropriate cases, however, criminal intent should be inferred from circumstantial evidence, including the obvious nature of the copying. In many cases, there is no other evidence due to the lack of witnesses, and the absence or deliberate destruction of incriminating documents.

- 3.4 *Should the Penal Judge have to rule on the validity of an intellectual property right whose infringement is reproached within the penal procedure or should he leave the question of the appreciation of the validity of such a right to the concern of the Civil Judge or the patent office, and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority?*

The U.S. group believes that the validity of intellectual property rights should be adjudicated by the judges presiding over criminal proceedings. To defer questions of validity to the patent office or the judge in a civil case would delay proceedings unnecessarily and place undue burdens on the administrative and judicial systems.

- 3.5 *The groups finally have to determine if the victim of counterfeiting must be a master of the criminal proceedings i.e. introduce it and put an end to it, in particular by settlement?*

Criminal laws against trademark counterfeiting, copyright infringement and the like exist primarily to protect the public from goods that are defective, poor in quality, and in many cases unsafe. The interests of the intellectual property owner are secondary. As a consequence, the U.S. group does not recommend that the victim (i.e. the owner of the right) be the master of the proceedings.

- 3.6 *Could the victim of the counterfeiting be able to use, in particular within the framework of the civil procedure, the documents from the penal procedure and in particular the evidence of the alleged counterfeiting?*

Documents and testimony from criminal cases should be admissible in civil proceedings, subject to ordinary evidentiary rules such as those regarding admission of hearsay testimony. In some cases, prosecutors may be required to withhold documents and testimony from civil plaintiffs in order to protect the anonymity of witnesses and informants.

Report Q169

in the name of the Uruguayan Group

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

1. Response to this question encompasses a presentation of the state of the substantive law of Uruguay in connection to the implementation of the penal sanctions of the intellectual property rights, vis a vis the provisions of article 61 of the TRIPS Treaty, and with special regard to trademark, patent and copyright laws.

Article 61 of TRIPS - which was approved by Uruguay under Law N° 16.671 dated December 13, 1994 - establishes that:

Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offence. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale.

2. **Substantive Law**

Trademarks. The basic law governing the protection of trademarks, is Trademark Law N° 17.011, of September 25, 1998. The relevant section and articles dealing with rights and remedies against infringement, and criminal sanctions, are Section XIV, Civil and Criminal Actions, articles 81 to 89.

These provisions are TRIPS compliant, and provide as follows:

Section XIV - Civil and Criminal Actions

Article 81 - Those wanting to profit or cause damage by manufacturing, falsifying, adulterating or imitating someone else's registered trademark will be punished with six months in prison to three years under penitentiary **arrest**.

Article 82 - Those refilling with spurious goods containers with someone else's trademark will be punished with six months in prison to three years under penitentiary arrest

Article 83 - Those knowingly manufacturing, storing, delivering or trading goods distinguished with the trademarks mentioned in the previous articles will be punished with three months in prison to six years under penitentiary arrest.

Article 84 - Those trademarks mentioned in the previous articles as well as those tools used to the execution thereof shall be destroyed or made unusable.

Those goods infringing the law that have been confiscated shall be seized and destroyed unless, because of their nature, they can be assigned to state or private charity institutions.

Article 85 - The provisions of this Chapter shall apply to those making use of the appellations of origin provided for in article 75 hereof , without being entitled to said use.

Article 86 - Those offences provided for herein shall be liable to prosecution, at the request of the interested party, according to the provisions of articles 11 and following ones of the Code of Penal Proceedings.

Article 87 - Those persons damaged by the infringement of the provisions of articles 81 to 85 hereof shall be entitled to file the corresponding action for damages against the authors and co-authors of the penalized activities.

Article 88 - Those proprietors of registered trademarks shall be entitled to request to the Judicial Power the prohibition to use a non-registered trademark similar or equal to the one they own.

Article 89 - After four years of the offence having been committed or repeated or after one year of it coming to the knowledge of the proprietor of the trademark, neither the penal nor the civil action can be filed.

The acts that interrupt the term for prescription are those established by the non-specific legal provisions.

Article 81 contains provisions which relate to infringement of trademark rights caused by those who manufacture counterfeit products, and article 83, to those who market and distribute these rights.

In the first case (article 81), the law requires that the infringer have an intent to “profit”, or “cause damage”, and in the latter (article 83), that those who distribute and market counterfeit products do so “knowingly”.

Criminal actions under the Trademark Law are structured under a “private” penal system, i.e., requiring an initial action by the right holder, and may not initiated “ex-officio” by the State.

Under criminal procedure in Uruguay, the trademark owner is required to file a denunciation of the infringing acts, within 6 months from the date the offence has been committed. However, thereafter, the action becomes “public”, whereby the State Attorney is the only empowered to prosecute the criminal proceedings before the Penal Judge, and to either proceed with the criminal claim, request withdrawal thereof, and file appeals in case the first instance Judge absolves the alleged infringers. The trademark owner is not regarded, under Uruguayan criminal procedure rules and regulations, as a party to the proceedings.

Patents. The basic law governing the protection of patents is Patent Law N° 17.164 of September 2, 1999. The relevant section and articles dealing with rights and remedies against infringement, and criminal sanctions, are Chapter II, Penal Provisions, articles 106 and 107:

These provisions are TRIPS compliant, and provide as follows:

Penal Provisions

Article 106.- Those violating any of the rights protected by invention patents, utility models or industrial designs shall be punished with six months in prison to three years under penitentiary arrest.

In any case, those objects manufactured in infraction and those tools predominantly used for the manufacturing shall be confiscated and destination thereof shall be decided in consultation with the Industrial Property Office.

Article 107.- The penalty shall consist in fifteen months in prison to four years under penitentiary arrest whenever the following aggravating circumstances have occurred:

- A) To have been a dependant from the patentee or the licensee.
- B) To have obtained the knowledge on the special manners to perform the patented object from the patentee or the licensee.

These provisions apply to all kinds of patent rights, thus including Patents of Invention, Utility Models, and Industrial Designs, all of which are governed by Patent Law N° 17.164.

Prosecution of criminal offences in the Patent Law is structured as a “public” action, initiation of criminal proceedings does not necessarily require action by the victim of the infringement - the rightholder. The denunciation may be effected by any third party or by the State Attorney who may “ex - officio”, prosecute the case.

Copyrights. The basic law in force is Copyright Law N° 9.739, dated December 17, 1937.

Chapter X Penalties

Article 46. Any person who, without the authorization of the author or his successor in title, publishes, sells, or reproduces by any means or instruments a work, whether published or unpublished, or who wrongfully attributes the work to some other author, or in any manner contravenes the provisions of this Law, shall be punishable with six months in prison up to three years under penitentiary arrest.

Article 47. Infringing copies and the materials used for the reproduction, dissemination or public performance, shall be confiscated. The interested party may request, as a preliminary measure, the seizure of the above, the Judge having the faculty to exempt him from bond when there are sufficient grounds therefore. The condemnatory ruling must order in every case the destruction or to render useless the seized copies and materials when the same may be used, and in the measure required to prevent illicit exploitation. The copies acquired by third parties in good faith, for personal use, shall not be destroyed.

Prosecution of criminal offences in the Copyright Law is structured as a “public” action, initiation of criminal proceedings does not necessarily require action by the victim of the infringement - the rightholder. The denunciation may be effected by any third party or by the State Attorney who may “ex - officio”, prosecute the case.

- 2.2 In Uruguayan criminal procedure, the principle is that the intentional element must be positively proved by the State Attorney, who is entitled to prosecution of the criminal action, and such intentional element may result, either from the investigations conducted by the police authorities on the facts surrounding the infringements, from the denunciation filed by the rightholder - trademark owner, patentee, or copyright owner- or from the investigations and hearings conducted in the course of the first step of the criminal proceedings conducted before the Criminal Court, including inspections of the infringer’s premises, examination of the knock-offs, counterfeit or infringing goods, expert’s opinions, etc.

In regard to trademark laws, as expressed above, the denunciation which opens the criminal proceedings must be effected by the owner of a registered trademark. If the trademark holder does not appear personally, a Power of Attorney form with sufficient rights, must be filed. The denunciation may be effected either before Court, or before the police authorities. A full description of the facts surrounding the criminal action must be contained in the said denunciation.

- 2.3 As to acts of infringement of an intellectual property right, from the point of view of the civil and penal liability, as regards trademark laws and patent laws, these types of liability are likely to be engaged from the same acts of counterfeiting.

Similarly, copyright law also has common provisions in regard to civil and penal liability.

As to the terms of limitations, the same are governed as follows:

- i. **Trademarks.** Article 89 of the Trademark Law provides that after four years of the offence having been committed or repeated, or after one year of it coming to the knowledge of the proprietor of the trademark, neither the penal nor the civil action can be filed.

However, the Criminal Procedure Code, in article 11, provides that the right to request initiation of the criminal procedure - the "private" action - lapses six months after the date in which the crime was committed, or as of the date when the offended party had knowledge of this crime.

There is debate in doctrine as to whether the applicable term for the trademark owner to request initiation of the criminal proceedings is six months, as provided for in the Criminal Procedure Code, or one year, as provided in the Trademark Law, and there is, at present, no clear case law deciding this issue.

- ii. **Patents, Utility Models, Industrial Designs.** The statute of limitations for initiation of civil actions for recovery of damages, is of four years as of the date in which the patentee had knowledge of the infringement. As to criminal proceedings, statute of limitations is of 10 years as of the date when the offence was committed.
- iii. **Copyrights.** The Copyright Law does not contain any special statute of limitations for civil or criminal actions, these being, accordingly, governed by the terms established in general by the law. For civil actions, 20 years, and for criminal offences, 10 years as of the date when the offence was committed.

- 2.4 Uruguayan laws do not provide penal liability against a legal moral person for criminal acts irrespective of their nature - including acts of counterfeiting of any kind of intellectual property rights from a criminal perspective. Penal liability is always of a personal nature, and only individuals may be, accordingly, prosecuted.

- 2.5 Under the Uruguayan legal system, the Criminal Court, and in general, all courts, have always the right to assess and rule on the question of the validity of an intellectual property right, including a registered trademark, irrespective of the fact that the Trademark and Patent Office may have granted registration thereof. The Criminal Court, accordingly, also has this right, independent from the civil or administrative jurisdictions.

- 2.6 Sanctions envisaged by Uruguayan penal legislation for acts of infringement of intellectual property rights, include imprisonment, seizure of the infringing goods, destruction thereof, if applicable, and seizure of the goods which have been used to manufacture the same, as per the relevant provisions stated above, contained in the Trademark Law N° 17.011, Patent Law N° 17.164, and Copyright Law N° 9.739.

The Criminal Courts in Uruguay do not allocate damages in repair of the prejudices undergone by the victims of the acts of counterfeiting. This is left to jurisdiction of the civil courts.

As expressed above, the legal entity or individual requesting initiation of the criminal proceedings - the rightholder - may not thereafter desist or withdraw the denunciation. Accordingly, and as to criminal proceedings, there is no possibility for the parties to settle the same by an agreement, after the proceedings have been initiated, since nevertheless, said proceedings may be continued "ex-officio" by the State Attorney.

3. Proposed solutions for the future.

- 3.1 Uruguayan laws already subject to penal sanctions, the violation of all the intellectual property rights, comprising trademarks, names of origin, patents of invention, utility models, industrial designs, and copyrights.
- 3.2 Considering the nature of the penal sanctions, it is deemed that existence of the intentional element should be a condition required for the application of penal liability to the authors of infringement of intellectual property rights. Proof of such intentional character should be assessed by the Courts, and may positively be proved by victim of the infringement, and only exceptionally, be derived or result from the particular nature of the infringement.
- 3.3 It is a principle long accepted under the Uruguayan legal and judicial system, that the Judiciary, in its constitutional role as one of the three powers of the State, has the faculty to rule on the validity of a right - including an intellectual property right - whose infringement is re-proached within the penal procedure. The Judge - since he/she has to apply the law in a specific case - is empowered to consider all relevant aspects of the right whose enforcement is sought.

It might be advisable, however, and due to the highly technical nature involved in the granting or recognition of intellectual property rights, to leave appreciation of the validity of such a right to the concern of the Patent Office - and to postpone consequently to rule in the penal procedure while waiting for the ruling of the proper authority on the validity of the title called upon in the penal authority - only if such appreciation procedure is swift and does not call for undue delay in the penal proceedings.

- 3.4 It is deemed advisable that the victim of the counterfeiting - the rightholder - be a master of the criminal proceedings, having, inter alia, the right to initiate and put an end to it, in particular, by settlement.
4. Uruguayan intellectual property laws do not contain any specific provisions regarding seizure of counterfeit or infringing goods, or the ability to subject to criminal proceedings, to counterfeit or infringing goods, in "transit", to be transshipped from their country of origin, via Uruguay, to a third country, and Courts have expressed doubts on whether under the current state of the laws, said goods and the infringers, might be subject to penal laws. It is deemed advisable that the laws be modified to clearly state that goods in transit in Uruguay, from and to a third country, where the rightholder also possesses trademark, patent or copyrights, should constitute an act of infringement, and be subject to civil and criminal liability.

Report Q169

in the name of the Venezuelan Group

**Criminal law sanctions with regard to the infringement of
intellectual property rights**

2. Substantive law

In Penal Law matters, new penal typologies ought to be included allowing a more effective action for the State guardianship in relation to immaterial rights that form industrial property. This inclusion is important inasmuch as in matter of Penal Law, analogy cannot be applied, therefore, if new penal types are not established accurately, sanctions cannot be applied encouraging the practice of these pernicious conducts. On the other hand, current penal regulations, with the exception of that pertaining to copyright and to the new Law against information crimes, are old dated, the sanctions are insignificant and do not correspond to the seriousness of the damages that these actions generate in the country; therefore, the need to adequate the penalty for these acts, including the liability of juridical persons involved in these acts.

Penal legal systems in intellectual property

National Constitution in force since the 12/30/99.

Article 98: The State shall recognize and protect intellectual property... (in express manner)

Article 117 Right to quality goods and services. Prohibition of deceitful information. Right to freedom of election. Defence procedure and sanctions to the violation of these rights.

Article 156. 32 The legislation on rights, duties and constitutional guarantees... intellectual, artistic and industrial property are matter of authority exercised by National Public Powers.

Penal Code, of 06/30/64.

Articles 338, 339 and 340 Public Action Crimes and at the request of one of the parties.

Crimes against Intellectual Property:

Industrial Property Law, of 10/14/55.

Articles 97 to 105 Collateral Crimes of Private Actions. Minor Offence.

Copyright Law of 10/1/93.

Articles 119-124, 134 and 136

Regulations of the Copyright Law and Resolution 351 of the Andean Pact, of 4/26/95

Articles 58-62 (Civil and Administrative Protection. Articles 63 and 64 (Penal Protection)

Organic Code of Criminal Prosecution, of 01/23/98.

Regulations for the previous trial and the due process stated in the National Constitution, Treaties and Conventions that guarantee among others: the Principle of the innocence presumption, Oral trial, Publicity, Immediation, Concentration, Contradiction. Appreciation of evidences, Autonomy and independence of judges and the obligation to adjudge.

Of the 11/13/92.

Articles 17, 38,43 and 49 (Acts of unfair competition through deceitful advertisement or false statements. Procedures and sanctions.

Decree # 150 Partial Amendment to the Customs Law, of 5/25/99.
Articles in reference to measures of observance in the matter of industrial property.

Special Law against Computer Science Crimes, of 10/30/01.

Convention of Paris in force in Venezuela since 3/30/95.

Agreement of Marrakech by which the WTO is established and in force since 12/29/94.

Bill for the Promotion and Protection of intellectual creativity and of industrial property.
Articles 93 to 107 it is under discussion in the National Assembly.

Bill against Organized Crime
It is under discussion in the National Assembly

2.1 The Provisions of Article 61 of Trip's Treaty are progressively being introduced in the Venezuelan Legislation through the following regulations:

Resolution 486 of the Andean Community (Trademarks and Patents).
Articles 237. - Vindictory Actions; Articles 238-244 Action for Infringement; Articles 245-249 Actions for Provisional Remedy; Articles 250-256 Border Measures; Art 257 Penal Actions remit to national legislation; 258-259 Action for Unfair Competition.

Organic Code of Criminal Prosecution (COPP).
The procedures for the due process of law and all procedural guarantees are established.

Customs Law
Which establishes the measures of the observance of industrial property.

Penal sanctions are established against the violation of other legal measures, even when in matter of patents these may be deficient both in the established typology in the special Law as well as in applicable sanctions. In the Penal Code, the revelation of invention secrets is only contemplated as a crime and not so, counterfeiting or the use of a patented invention. This legal emptiness is being filled with the Bill under discussion.

As we have mentioned, there are special laws for unfair competition from the scope of fair commercial practice and unfair competition that involve protected industrial rights (in this second assumption, Resolution 486 is applied). Likewise, there exists the very innovative - "Ley Especial contra los Crimes Informáticos" (Special Law against Computer Science Crimes) among which, crimes are contemplated not only against systems and components, and Information Technology (software), but also those by which it is made use of such technologies to commit crimes. Thus, it is contemplated the appropriation of intellectual property, Article 25 and the deceitful offer Article 26.

2.2 Criminal liability in acts related to rights of intellectual property.

In Venezuela, this Principle rules: "Nullum crimen nulla poena sine lege" which is established in Article 49 numeral 6 of the National Constitution which establishes that no person could be sanctioned by acts or omissions that have not been contemplated as crimes, minor offences or infringements in pre-existing laws.

Likewise, in Article 44 numeral 3°, it is established that penalty cannot transcend the persona convicted. There will be no convictions to life imprisonment or to defamatory penalties and punishment-depriving freedom will not exceed thirty years.

Once we have seen the legal framework where this matter is contained, and once criticism has been made in relation to the deficient wording and the need to adequate it to the commercial actuality and to the negative consequences for the economy, both for the corpora-

tion as for the economy of the country, we pass on to outline the elements that are necessary in Venezuela in order to give shape to criminal liability in the industrial and intellectual fields.

Requirements:

Typological Condition, that is, that the reproachable action is contemplated in the legislation as a crime, whether in the Penal Code, in the Law of Industrial Property, Law on Copyright or in the Law against Information Crimes.

Likewise, in the matter of industrial right in order that the behavior of the breacher may be submitted in the criminal supposition, it is required that the invention, the model or the industrial design, or the trademarks are registered; that is, that the **anti-juridical condition** operates when the bearer condition of the right is protected prior to the registered inscription.

Crimes against intellectual property are **activity crimes**. These do not admit perpetration by omission. In consequence, The **guilt** due to this action is **fraudulent**, willful and voluntary, meaning that it does not admit any perpetration due to imprudence.

Likewise, in crimes against patents and trademarks, it is required that the typical action be carried out with **commercial or industrial purposes**. Lacking the commercial purpose, there is no anti-juridical condition (Articles 53,100,129 Resolution 486), in the case of trademarks, being true that it does maintain this condition, the anti-juridical condition is broadened in paragraph f of Article 155 where the bearer of a registered trademark is empowered to impede public use of an identical signal in relation to the notoriously known trademark, even when this use may not be for commercial purposes, when it could cause the dilution of the distinctive force or of the commercial or advertising value of the trademark, or it may result in the unjust exploitation of its prestige.

Guilt does not require the form of willful misconduct, that is, in the purpose of the representative to execute the action that damages the juridical property that is guarded. This willful misconduct or criminal intention is specific and it is determined by the special aim of obtaining benefit or profit, being configured the figure of the consumption of the criminal action only with the delinquent action, meaning, that it is sufficient to introduce falsification, usurpation or commercial distribution into the country, so that the crime be considered consummated. It is not necessary for the materialization of the crime that any damage be generated.

Willful misconduct is made concrete with the will or the intention of appropriating or making non-authorized use of the good legally protected.

In distinctive signals through the falsification, appropriation, imitation, alteration or suppression of the product's signal. In invention patents, the utility models, or in respect to industrial designs, willful misconduct is materialized applying, exploiting through manufacturing, commercializing, importing, and transmitting the product or patented process. In these types of crimes there exists the presumption "juris tantum" of willfulness, of deliberateness.

In order that awareness and willfulness for appropriating a patent or a distinctive signal may exist, it shall be necessary that the representative have the knowledge that these had been registered and their rights are in force. This fact raises the question of determining the problem about when it may be considered that the representative has acted with the knowledge and representation of the action that he is committing; in our criterion, due to the registered application and to the advertising ruling the process, the passive subject of a crime need not to prove the existence of fraud or the subjective element of a crime, it is sufficient to demonstrate its protected right and the action of infringement, that is, the objective element. Should fraud not exist, should it be part of one of the contemplated assumptions in the articles where non-commercial uses are established together with those made in good faith, it is the active subject of the action who should prove this cause of justification.

The injury done to the protected good is established in the realization; in the development of the described conduct, and not in its completion.

- 2.3 In Venezuela, civil and penal actions are independent and autonomous, being possible for the bearer of the infringed rights to select one or the other or both at the same time.

Further more, any person criminally liable for a crime or for a minor offence, he/she is also liable before civil instance. Civil liability born from penal liability does not come to an end because liability or its penalty may have extinguished, but it will last, just as in civil liabilities subject to the rules of the Civil Law. This civil action will be exerted pursuant to the rules established in the - "Código Orgánico Procesal Penal (COPP)" (Organic Code of Criminal Prosecution) after the criminal decision remain final; without prejudice to the right of the victim to demand before the civil jurisdiction.

Civil action for the restitution, reparation and indemnity of the damages and prejudice due to crime, only may be exercised by the victim or his/her heirs or representatives, against the author and the participants of the crime and in his/her case, against the third party that is liable in civil instance.

Criminal liability in matter of industrial property is contemplated or typified in the Penal Code; in special laws, through crimes with penalties that have suppression of freedom as imprisonment; accessory pecuniary penalties as the publication of the decision. Crimes constitutes public action. In the 1955 Law of Industrial Property, there are established collateral torts and minor offences that have penalties of imprisonment and fines and the action is exercised at the request of the injured party.

Civil liability is autonomous in relation to the Actions established in Resolution 486 as of Article 273.

In respect to Copyright, criminal liability is contained in the special law in torts of perpetrators with the criterion of crimes "sui generis" which have been conceived with the typical terminology of that specialty and with characteristics inherent the law for perpetration. Likewise, it leaves out of danger, the punishable act that may deserve a more severe penalty in accordance to the Penal Code or other laws as that related to the above mentioned Computer Science Crimes.

- 2.4 Counterfeiting, understood as any action tending to imitate fraudulently, to alter, to copy by means of which truth is counterfeited, constitutes an assumption similarly treated both under the view of civil liability contemplated in the regulations of Resolution 486 where Actions to be exercised are established in civil jurisdiction; as well as under the view of criminal liability contemplated both in the Penal Code, as well as in the 1955 Law of Industrial Property which promptly shall be amended by a new law in which new typical conducts are contemplated.

In relation to criminal liability of these corporations, this liability is established in the new Law against Computer Science Crimes in its Article 5°. On the other hand, in Bills related to industrial property and to organized crime that we have already mentioned and that are currently being studied in the National Assembly, this liability is clearly established where its limits are set forth; the characteristics contained in them and the principal and accessory penalties that such as typical actions that are imputed to them. Thus in the above mentioned bill, it is established that:

Article 95: Penal subjects are those in relation to the current law, those natural persons and juridical persons.

First Paragraph: the juridical persons shall be criminally liable when the crimes have been committed by decision of its entities and with the use of its social resources.

2.5 In the same manner, as Criminal Courts are empowered expressly to hear disputes on the civil status of these persons according to the respective legislation when a criminal trial is set forth as a damaging condition, in the same manner, the validity of a right of industrial property that is set forth as a damaging dispute of administrative nature, it shall be adjudged by this court if it depends on determining the perpetration of a punishable act, or not. The penal judge, in accordance to article 145 of the "COPP", may do technical consultations that he/she deems relevant with the purpose of reaching the truth of the facts via legal instance, and justice in the application of law. In this sense, penal judges shall assess evidences according to his/her free conviction, observing the rules of logics, the scientific and technical knowledge and the assumptions from experiences. In this sense, penal judges shall assess experts being consulted and the opinions that may rise on the validity of a right of industrial property. The right to industrial property contained in a document granted by the State whether it be as a title of a patent or as a certificate of registry of which validity is being questioned in the judicial ambit, shall be subdued as a means of evidence and to be admitted it should make direct or indirect reference to that object of investigation and to be useful in finding truth.

2.6 In relation to penalties contemplated in Venezuelan legislation, as indicated in the beginning, these are contemplated in the legislative body in force and in legislative bills and we may summarize these as follows:

The following are considered **principal penalties**: imprisonment and fines in the case of natural persons, and fines in the case of juridical persons.

Under the Penal Code and the Law of Industrial Property of 1955, fines consisted in fixed amounts which result insignificant. In the new laws, fines are calculated based on tributary units in force at the moment of the final decision. .

Accessory penalties are those considered applicable to anyone liable of punishable against industrial property:

- a) The publication of the final decision, at the expense of the one convicted, in a press organ of national circulation and in the "Boletín de Propiedad Industrial".
- b) The forfeiture of equipment, machinery, instruments, substances, merchandise, raw material, products, and objects with which crime was committed, as well as commercial, industrial and financial products derived from the action.
- c) The suspension from the exercise or practice during a year of this industrial, commercial, professional and productive activities related to industrial property. As well as the suspension of activities that are related information technology.

2.7 Penal Courts have the authority to process the relief of damage and the indemnity of prejudices raised by the perpetration of a crime against industrial property. It is thus expressly established in the "COPP" in Articles 415 to 424 in which the procedures, requisites of the demand, the terms, stages of the process, the decision and the execution of the same.

Penal action shall be exercised by power invested on public prosecution entity, with the exception, that it may be only exercised by the victim or by his/her request. It thus established in the regulations of penal procedures of Venezuela. It remains to be determined the cases of crimes of private instance and those crimes that may be adjudged only by request of the victim. Within the penal process, and when punishable act relapse over the juridical patrimonial assets available, the relief agreements may be authorized by the judge and these may make expired the penal action, pursuant to the requisites established in "ley procesal" (procedural law).

2.8 The roll of technical experts in a penal process has the value in accordance to the rules of the evidence, as the other elements of conviction, it shall have the value when the parties

and the court manifest expressly their consent in the incorporation of its decision, report or expertise. The experts are part of the penal process.

In Venezuelan Penal Law, the intentional element is condition sine qua non and this is the reason why Article 61 of the Penal Code establishes:

No one may be punished as the accused of a crime not having the intention of doing the act constituted by it, except when the law attributes it as the consequence of his/her action or omission. He or she who incurs in minor offences, is liable of his/her own action or omission, although it be not demonstrated that he/she would have desire to commit an infringement to the law. The action or omission punished by the law, shall be presumed being voluntary, as otherwise certified (the underlining is ours).

In the crime of counterfeiting, the penal rule attributes this intention to the counterfeiting action. The counterfeiting is in itself fraudulent since it is synonymous of deceit, simulation, fraud, therefore anyone who counterfeits acts fraudulently, that is, with the intention of defrauding truth, of forging that which is authentic. It may be Appreciated that when the Penal Code refers to falsification, it does not state "the one with the intention", but establishes that: " Anyone who might have falsified..." that is, that the rule itself presumes deliberateness and the law attributes it as the consequence of the of its action.

2.9 In the crime of counterfeiting, the victim is formed by the bearer of the protected and counterfeited good, and likewise, the consumer public if due to this falsification has been deceived and his/her right to the free election has been violated; this in virtue of the right that any one has of not being deceived or defrauded has a constitutional rank. Thus article 117 of the National constitution establishes:

All persons shall have the right to dispose of quality goods and services, as well the proper information and not being deceitful over the content and the features of products and services that are consumed; to the free election and to an equal and honourable treatment. La law shall establish the necessary mechanisms for guaranteeing these rights, the quality control standards and the amount of goods and services, the procedures for the defence of the consumer products, the indemnity of the damages caused and the corresponding sanctions due to the violation de these rights. (the underlining is ours)

In relation to the question if the victim of the falsification may employ in the context of the civil process the documents of the penal process, specially, the evidence of alleged counterfeiting? The answer consists of: always that the records of proceedings and the documents produced during a penal trial and the decisions arisen from it are public documents which constitute evidence of its content and authenticate the facts and of the right discussed, argued, and established thereto.

3 and 4.

See section 2.1.

Traduction française

2. Le droit positif

Dans matière pénale les nouveaux typologies pénales devraient être inclus pour qu'une action plus efficace soit possible, avec la guide de l'Etat aux droits immatériels qui conforment la propriété industrielle. Cette inclusion est importante car dans la matière pénale l'analogie ne peut pas être appliquée. Donc, si les nouveaux types pénales ne sont pas correctement réglés, les sanctions ne pourront pas être appliquer. En outre, l'actuel règlement pénale, à l'exception des droits d'auteurs et la nouvelle Loi contre les infractions de l'ordinateur, c'est de vieux date et les sanctions sont ridicules et ils n'appartiennent pas avec la gravité des dégâts que ces actions donnent lieu dans le

pays, de là la nécessité d'adapter aussi l'amende des mêmes y compris la responsabilité de gens juridiques impliqué dans ces faits.

Le système légal pénale dans la propriété intellectuelle

Constitution Nationale efficace depuis 30/12/99.

Article 98: L'Edo. Il reconnaîtra et il protégera la propriété intellectuelle... (dans forme exprimée).

Article 117. Droits à marchandises et services de qualité. Prohibition à la trompant information. Droits à la liberté de l'élection. Procédure de la défense et sanctions à la violation de ces droits.

Article 156. 32. C'est de la compétition du Pouvoir Public National la législation au regard des droits, des devoirs et des garanties constitutionnelles... l'intellectuel, propriété artistique et industrielle.

Code pénale depuis 30/06/64.

Articles 338, 339 et 340. Infractions d'Action Publique et à la demande de partie

Infractions contre la Foi Publique:

Loi de la Propriété Industrielle des 14/10/55.

Article 97 aux 105. Infractions Collatérales d'Action Privée. Manques.

Loi sur les droits d'auteur depuis 1/10/93.

Articles 119-124, 134 et 136.

Je règle de la Loi Sur les droits d'auteur et le Decisión 351 26/4/95.

Articles 58-62 (protection civile et Administrative). Articles 63 et 64 (Protection Pénale).

Code Organique De procédure pénale (COPP) depuis 23/01/98.

Normes du procès antérieur et du processus dû consacré dans les CN, les Traités et Accords où sont garantis parmi autres: le Principe de la présomption d'innocence, Oralité, Publicité, Relation directe, Concentration, Contradiction,. Appréciation des épreuves, l'Autonomie et l'indépendance des juges et l'obligation de décider.

Des 13/11/92.

Articles 17, 38,43 et 49 (Actes de compétition déloyale à travers la trompant publicité ou fausses déclarations. Procédures et sanctions.

J'en décrète #150. Il réforme Partiellement à la Loi de Customses des 25/5/99.

Articulez en ce qui concerne mesures d'observation dans propriété industrielle.

Loi spéciale contre les Infractions de l'Ordinateur des 30/10/01.

Accord de Paris efficace au Vénézuéla des 30/3/95.

Accord de Marrakech pour lequel l'OMC efficace se calme des 29/12/94.

Je projette de la loi de Promotion et Protection de la créativité intellectuelle et de la propriété industrielle.

Articles 93 aux 107. C'est en discussion dans l'Assemblée Nationale.

Je projette de la Loi Contre la Délinquance Organisée.

C'est en discussion dans l'Assemblée Nationale.

2.1 Les Humeurs de l'Article 61 du voyage du Traité est introduit progressivement dans la législation vénézuélienne à travers les suivants normatif:

Décision 486 (vous Mark et Brevets).

Articles 237. - action de Récupération; Articles 238-244. Action pour Infraction; Articles 245-249. Travail Préventif; Articles 250-256. Mesures dans Frontière; Article 257. Travail des Prisons qu'il pardonne à la législation nationale; 258-259 action de Compétition Déloyale.

Code Organique De procédure pénale (COPP).

Les procédures du processus dû et tout le processus des garanties se calment.

Loi de Customs

au moyen de lequel les you/they résolvent vers le bas à moitié rempli d'observation dans propriété industrielle.

Si les sanctions pénales sont encore consacrées contre la violation d'autres chiffres quand comme brevet des amitiés c'est si beaucoup déficit dans le tipología résolu dans la Loi spéciale comme dans les sanctions applicables. Dans le Code Punissable seul vous prévient comme infraction la révélation de secret des inventions mais pas la falsification ou usage de l'invention brevetée. Ces trous sont remplis dans le Bill qui est en discussion.

Comme nous avons vu il y a si beaucoup des lois spéciales pour la compétition déloyale de l'environnement de l'exercice loyal du commerce, aimez à la compétition déloyale qui implique des droits industriels protégés (dans cette deuxième supposition la Décision en est appliquée 486). Aussi le novísima la Loi spéciale existe contre les infractions de l'ordinateur parmi lequel n'est pas contemplé seul les infractions qui sont faites contre les systèmes et composants Technologiques d'information (logiciel), mais ce au moyen de quel usage de ceci les technologies sont faites pour faire des infractions. Ils sont contemplés ce chemin l'appropriation de propriété Article 25 intellectuel et l'offre qui trompent l'Article 26.

2.2 Responsabilité pénale dans les actes de droit de propriété intellectuelle.

Au Vénézuéla il gouverne le Principe "Nullum in fraction nulla poena sine lege" qui est consacré dans l'Article 49 chiffre 6 du CN qui établit qu'aucune personne ne sera capable d'être sanctionné par actes ou omissions que le fueren du non prévu comme les infractions, les manques ou les infractions dans préexistantes des lois.

Aussi il/elle règle l'Article 44 chiffre 3° que le velours côtelé ne peut pas transcender de la personne condamnée. Il n'y aura pas de condamnations à épreuves perpétuelles ou infâmes et les épreuves exclusives de la liberté ne dépassera pas de trente années.

Une fois nous avons vu la marque légale où cette matière est contenue et a fait les critiques à son écriture défectueuse et la nécessité de l'adapter à la réalité commerciale et les conséquences négatives dans le tant d'économie de la compagnie aime à l'économie du pays, nous passons pour tracer les éléments qui deviennent nécessaire au Vénézuéla afin que la responsabilité pénale soit configurée dans le champ industriel et intellectuel.

Exigences:

Le Tipicidad, c'est-à-dire que le reprochable de l'action est contemplé dans la législation comme infraction, non plus dans le Code Pénal, dans la Loi de la Propriété Industrielle, Loi Sur les droits d'auteurs dans la Loi contre les Infractions de l'Ordinateur.

Aussi comme amitiés droit industriel afin que le comportement de l'offenseur conserve subsumirse dans la supposition punissable, il est exigé que l'invention, le modèle ou le dessin industriel, ou les marques est enregistrée; c'est-à-dire que **l'antijuricidad** est opéré quand la propriété du droit est protégée antérieur les registres de l'inscription.

Les infractions contre la propriété intellectuelle sont **infractions d'activité** qu'ils n'admettent pas à l'ordre pour omission. Par conséquent, **la culpabilité** pour cette action est **trompeuse**, il consent et volontaire, il le veut dire que l'ordre n'est pas admis par imprudence.

Aussi dans les infractions contre les brevets et les marques sont exigées que l'action typique est emportée avec **annonce publicitaire ou fins industrielles** Manquer de l'antijurici-

dad du but commercial n'existe pas (Articles 53,100,129 Décision 486), dans le cas des marques, bien qu'il/elle reste cette condition, vous large l'antijuricidad dans le f littéral de l'Article 155 quand il est autorisé que le détenteur d'une marque enregistrée mette obstacle à l'usage public d'un signe identique à la marque. Notoirement célèbre, encore quand cet usage n'est pas pour les fins de l'annonce publicitaire, quand peut le causer une dilution de la force distinctive ou de l'annonce publicitaire ou faire de la publicité pour valeur de la marque ou est dans un usage injuste de son prestige.

La **culpabilité** exige la forme de la supercherie, c'est-à-dire, dans le but de l'agent d'exécuter le fait qui blesse le très juridique guidé. Cette supercherie ou l'intention criminelle est spécifique déterminé par la fin spéciale d'obtenir le profit ou enrichir, être configuré seulement la consommation du fait criminel avec le delictual de l'action, c'est-à-dire c'est assez l'introduction au pays, la falsification, l'usurpation ou le cadre dans la circulation commerciale afin que l'infraction soit considérée accompli. Ce n'est pas nécessaire pour la matérialisation de l'infraction qu'aucun dégât n'a lieu.

La supercherie est additionnée dans la volonté et intention d'à approprié ou faire je n'utilise pas autorisé du très a protégé légalement.

Dans les signes distinctifs à travers la falsification, appropriation, modification de l'imitation ou supprimer le signe du produit. Dans les brevets de l'invention, les modèles d'utilité ou quant aux dessins industriels, la supercherie est matérialisée appliquer, en explosant à travers la production, vendre, se soucier, transmettre le produit ou processus breveté. Dans ces types d'infractions un tantum du voluntariedad du juris de la présomption existe, de préméditation.

Afin qu'il existe la conscience et la volonté de prendre ou approprier un brevet ou un signe distinctif, ce sera nécessaire que l'agent ait de la connaissance que ceux-ci sont enregistrés et efficace ses droits. Il/elle pense au sujet du problème de la détermination de quand ce sera été capable de considérer que l'agent a travaillé avec connaissance et représentation de l'action que le ; dans notre approche, dû à la procédure il enregistre et à la publicité qui gouverne le processus, l'associé passif de l'infraction il/elle ne doit pas prouver l'existence de la supercherie ou élément subjectif de l'infraction, il a assez démontrer leur droit protégé et l'offenseur de l'action, c'est-à-dire, l'élément objectif. De ne pas exister la supercherie et une des suppositions prévu dans les articles être configuré où il est consacré le non usages commerciaux et a porté dehors de bonne foi. Il/elle est l'associé actif de l'action qui devrait prouver cette cause de la justification.

La lésion aux bien guidé un, est consacré dans la réalisation; dans le développement du comportement décrit, pas dans leur culmination.

2.3 Au Vénézuéla, les actions civiles et prisons sont existence indépendante et autonome capable au détenteur des droits enfreints d'opter pour un ou pour autre ou les deux en même temps.

Maintenant alors, personne tout responsable criminellement d'une infraction ou manque, c'est aussi séculairement il. La responsabilité civile née du punissable ne cesse pas parce que ce ou la douleur éteignent, mais plutôt il durera comme les obligations civiles avec la soumission aux règles du droit civil. Cette action civile sera exercée d'après les règles réglées le Code Organique De procédure Pénale (COPP) après que la phrase punissable soit forte; sans dégât du droit de la victime de demander avant la juridiction civile.

L'action civile pour la restitution, réparation et compensation des dégâts et dégâts pour l'infraction, sera capable d'être exercé par la victime ou ses héritiers ou représentants seulement, contre l'auteur et les participants de l'infraction et dans son cas contre le troisième séculairement responsable.

Le penel de la responsabilité comme amitiés la propriété industrielle est prévue ou tipificada dans le Code Punissable; dans les lois spéciales à travers infractions avec épreuves ex-

clusives de la liberté comme la prison; vous punissez pécuniaire et épreuves de l'accessoire comme la publication de la phrase. Les infractions sont d'action publique. Dans la Loi de la Propriété Industrielle de l'année 1955 les illicites sont consacrés collatéral et les manques qui ont des épreuves de prison et des billets et leur action est exercée à la demande de partie lésée.

La responsabilité civile est autonome comme pour les Actions qui sont consacrées dans la Décision 486 qui commence de l'Article 273.

Dans la royauté la responsabilité punissable est choisie dans la loi spéciale dans autorales illicite avec l'approche d'infractions "generis du sui" qui a été conçu avec terminologie typique de la spécialité et avec la caractéristique des caractéristiques du bon aortal. Aussi c'est coffre-fort gauche que le fait punissable peut mériter une douleur plus sévère d'après le Code Punissable ou les autres lois aiment cela des Infractions de l'Ordinateur, déjà mentionné.

- 2.4 La falsification, expert comme tout le tendente de l'action imiter frauduleusement, adultérer, contrefaire au moyen de lequel la vérité est falsifiée, il constitue une supposition même bas tant de traité les optiques de la responsabilité civile prévues dans le normatif de la Décision 486 où les Actions sont consacrées pour être exercé dans juridiction civile; comme sous les optiques de la responsabilité punissable prévues si beaucoup dans le Code Punissable, comme dans la Loi de la Propriété Industrielle de l'année 1955 lequel sera réformé ponctuellement par une nouvelle loi dans celui qui vous prévén nouveaux comportements typiques.

Comme pour la responsabilité punissable de gens juridiques, cette responsabilité est consacrée dans la nouvelle Loi Contre les Infractions de l'Ordinateur dans son Article 5°. En revanche, dans les Projets de lois de propriété industrielle et délinquance organisée de que nous avons fait la mention et qu'ils sont étudiés dans l'Assemblée Nationale, cette responsabilité où les you/they observent les limites du même se calme clairement; les caractéristiques qui ceux-ci ils ont et le principal et épreuves de l'accessoire qui telles actions typiques qui sont imputées. Nous avons ce chemin qui dans celui mentionné le projet dans qu'il/elle il/elle installe:

Article 95: Ils sont soumis punissable aux effets de la loi présente, gens naturels et peuple juridique.

En premier paragraphe: Les gens juridiques répondront de façon punissable quand les infractions ont été faites par décision de leurs organes et avec l'usage de leurs ressources sociales.

- 2.5 Aussi bien que les Tribunaux punissables sont autorisés formellement pour savoir de la controverse sur l'état civil de gens d'après la législation respective quand cela pense au sujet de dans un procès punissable comme un prejudicialidad, également, la validité d'un droit de propriété industrielle qui pense presque comme une controverse pre-judiciaire de matière administrative sera capable d'être décidé par ceci s'il dépend il la détermination de l'ordre d'un fait punissable ou nr. Le juge punissable, d'après l'article 145 du COPP, il/elle sera capable de faire les consultations techniques qu'il estime commode aux fins d'établir la vérité des faits pour les routes juridiques, et la justice dans l'application du droit. Dans ce sens, les juges punissables ont apprécié les épreuves d'après leur conviction libre, en observant les règles de la logique, la connaissance scientifique et techniciens et les maximes d'expériences. Dans ce sens les experts consultés et les verdicts qui surviennent au sujet de la validité d'un droit de propriété industrielle seront capables d'être apprécié par les juges punissables. Le droit de propriété ou contenu industriel dans un document accordé par l'État comme titre du brevet ou comme certificat de l'inscription et à qui validité est questionnée dans l'environnement judiciaire, il sera soumis comme demi d'épreuve et être admis il/elle devrait il/elle reporter, direct ou indirectement, à l'objet de l'enquête et existence utile pour la découverte de la vérité.

2.6 Comme pour les épreuves prévues dans la classification punissable vénézuélienne comme il a été indiqué au commencement ils sont prévus dans le corps législatif efficace et dans les projets législatifs et nous pouvons résumer ce chemin ils:

Ils sont considérés des **épreuves principales** la prison et le billet dans le cas de peuple naturel et le billet dans le cas de gens juridiques.

Sous le Code Punissable et la Loi de la Propriété Industrielle des 55 les billets ont consisté sur les quantités fixes que lequel est ridicule. Dans les nouvelles lois le billet sera calculé avec base à l'unité tributaire efficace au moment de la phrase définitive.

Ils sont considérés des **épreuves de l'accessoire** applicables à tous le responsable pour les faits punissables contre la propriété industrielle:

- a) La publication de la phrase définitive, à la dépense du prisonnier, dans un organe de presse de circulation nationale et dans le Bulletin de la Propriété Industrielle.
- b) L'amende des équipes, machineries, instruments, les substances, marchandises, important cousins, entrées et objets avec ceux qui vous hubiere fait l'infraction, aussi bien que l'annonce publicitaire, produits industriels et financiers dérivés du fait.
- c) La suspension pour une année de l'exercice ou entraînement des activités industrielles, commerciales, professionnels et productif, apparenté avec la propriété industrielle. Aussi bien que la suspension des activités que les you/they ont le rapport avec la technologie d'informatique.

2.7 Les tribunaux pénales ont la compétition pour traiter la réparation du dégât et la compensation de dégâts qui proviennent pour l'ordre d'une infraction contre la propriété industrielle. Exprasamente s'est calmé le COPP dans les Articles 415 aux 424 dans lesquels il/elle règle la procédure, les exigences de la demande, les termes, les étapes du processus, la décision et l'exécution du même sont ce chemin.

L'action punissable sera exercée d'occupation par le Ministère Public, à moins qu'il puisse être exercé seulement par la victime ou son exigence. Il établit ce chemin il la prison de procédure normative de Vénézuéla. Ce sera nécessaire à déterminer seulement les cas d'infractions d'exemple privé et les infractions du triable exigence antérieure ou l'exemple de la victime. À l'intérieur du processus punissable et quand le fait punissable rechute sur marchandises juridiques disponibles de caractère patrimonial, on sera capable d'approuver pour le juge le reparatorios des accords qui peut éteindre l'action punissable, en s'accordant avec les exigences se sont calmés la loi de procédure.

2.8 Le rôle des experts techniques dans un processus pénale a la valeur d'après les règles de l'épreuve et comme les autres éléments de la conviction il/elle aura la valeur quand les parties et le tribunal manifestent formellement sa conformité dans l'incorporation de son verdict, rapport ou experticia. Les experts font partie du processus punissable.

Dans le droit punissable vénézuélien c'est non du qua du sinus de la condition l'élément intentionnel de là que l'Article 61 du Code Punissable se calme:

Personne ne peut être puni comme infraction criminel n'ayant pas eu l'intention d'emporter le fait qui le constitue, excepte quand la loi l'attribue à lui comme conséquence de son action ou omission. Celui qui encourt dans les manques, répond de leur propre action ou omission, bien qu'il ne soit pas démontré qu'il/elle a voulu faire une infraction de la loi. L'action ou omission punies par la loi un crâneront volontaire, à moins qu'il consiste le contraire (souligné notre).

Dans l'infraction de la falsification la norme punissable attribue cette intention au falsificadora de l'action. La falsification est dans oui trompeur depuis que c'est synonyme de supercherie, simulation, fraude, par conséquent qui falsifie il agit faussement, c'est-à-dire, avec

intention d'escroquer la vérité, de falsifier le je certifie. Il peut être apprécié que le propre Code Pénale quand il/elle parle de la falsification il ne signale pas "celui qui avec intention", mais plutôt il/elle il/elle installe: "Tout le monde qui a falsifié hubiere... ", c'est-à-dire que les propres spectacles de la norme fermé la préméditation et la loi l'attribue à lui comme conséquence de son action.

- 2.9 Dans l'infraction de la falsification, la victime est conformée très légalement par le détenteur des protégé et est falsifiée et aussi, le consommateur public si pour ce you/he/she de la falsification a été trompé et à son droit à l'élection libre a été nui; il en raison d'avoir la gamme constitutionnelle le qu'on est intitulé à moins que non plus ait trompé escroqué. Ce chemin l'article 117 de la Constitution Nationale se calme:

À tous les gens seront donnés le droit d'avoir marchandises et services de qualité, aussi bien qu'à un approprié et ne tromper pas d'information sur le contenu et caractéristique des produits et services qui consomment; à la liberté de l'élection et un traitement égal et moi daignons. La loi établira les mécanismes nécessaires garantir ces droits, les normes de contrôle de qualité et quantité de marchandises et services, les procédures de la défense du consommateur public, l'indemnité des dégâts causés et les sanctions correspondantes pour la violation de ces droits. (souligné notre).

Comme pour la question si la victime de la falsification peut utiliser dans la marque du processus civil les documents du processus punissable et spécial l'évidence de la falsification présumée? La réponse est que si tout le temps que les registres et les documents qui ont lieu dans un procès punissable et les décisions qui émanent d'eux constituent des documents publics qui constituent épreuve de son contenu qui donne foi des faits et du droit là discuté, controversé et établi.

3 et 4.

Voir 2.1.

Deutsche Übersetzung

2. Substanzielles Recht

In strafbarer Sache sollte neuer strafbaren Typologie eingeschlossen werden, dieses erlauben, eine wirksamere Handlung der staatlichen Bevormundung zu den immateriellen Rechten, die die industrielle Eigenschaft anpassen. Diese Einbeziehung ist in der strafbaren Sache wichtig, die die Analogie nicht angewandt werden kann, deshalb, wenn die neuen strafbaren Arten nicht genau begründet werden, werden es nicht fähig gewesen sein, Sanktionen anzuwenden und es regt die Übung dieser schädlichen Führung an. Andererseits, das aktuell normativ Strafbare, außer dem Verhältnismäßigen zu dem Copyright und dem neuen Gesetz zu den Computerverbrechen ist sehr alt und die Sanktionen sind lächerlich, und sie gehören nicht zusammen mit der Ernsthaftigkeit des Schadensersatzes, dass diese Handlungen im Land verursachen. Deshalb ist die Notwendigkeit, die Strafen auch einschließlich der Verantwortung juristischer Leute anzupassen, die an diesen Tatsachen angemengt werden.

Das strafbare gesetzliche System im geistigen Eigentum

Geltende Nationale Verfassung vom 30/12/99.

Artikel 98: Der Staat wird das geistige Eigentum erkennen und schützen..., (in ausgedrückter Form).

Artikel 117. Recht auf Güter und Dienste der Qualität. Verbot für die betrügendem Informationen.

Recht auf die Wahlfreiheit. Verteidigungsverfahren und Sanktionen für die Übertretung dieser Rechte.

Artikel 156. 32. Es ist von der Konkurrenz von der Nationalen öffentlichen Gewalt die Gesetzgebung des Rechtes, Pflichten und verfassungsmäßige Garantien... der Intellektuelle, künstlerische und industrielle Eigenschaft.

Strafbarer Code vom 30/06/64.

Artikel 338, 339 und 340. Verbrechen Öffentlicher Handlung und bei der Bitte des Teiles,

Verbrechen gegen die Public Faith:

Gesetz der Industrial Property von 14/10/55.

Artikel 97 bis den 105. Colateral-Verbrechen Privater Handlung. Mängel.

Gesetz Zum Copyright vom 1/10/93.

Artikel 119-124, 134 und 136.

Gesetzliche Vorschrift zum Copyright und dem Beschluss 351 vom 26/4/95.

Artikel 58-62 (Ziviler und Administrativer Schutz). Artikel 63 und 64 (Strafbarer Schutz).

Strafbarer Verfahrenstechnischer Organischer Code (COPP) vom 23/01/98.

Norm des vorherigen Versuches und vom fälligen Prozess, die in dem Staatverfassung (CN) weicht werden, den Verträgen und den Einverständnissen, wo es garantiert werden: das Prinzip der Vermutung der Unschuld, Orality, Öffentlichkeit, Unmittelbarkeit, Konzentration, Widerspruch, Würdigung von den Prüfungen, der Autonomie und der Unabhängigkeit der Richter und die Pflicht vom Entscheiden.

Vom 13/11/92.

Artikel 17, 38,43 und 49, Taten treuloser Konkurrenz durch die betrügende Öffentlichkeit oder falsche Erklärungen. Verfahren und Sanktionen.

Verordnung #150. Partiale Reformierung des Gesetzes von Customses vom 25/5/99.

Artikulierte in Bezug auf Maßnahmen der Einhaltung in industrieller Eigenschaft.

Besonderes Gesetz zu den Computerverbrechen vom 30/10/01.

Einverständnis mit Paris, der in Venezuela geltend ist, vom 30/3/95.

Einverständnis von Marrakech, dafür die OMC (Handel Weltorganisation) 29/12/94 gegründet wird.

Projekt vom Gesetz der Promotion und Schutz der intellektuellen Kreativität und von der industriellen Eigenschaft.

Artikel 93 bis den 107. Es ist in Diskussion in der Nationalen Versammlung.

Projekt vom Gesetz Zur organisierten Kriminalität.

Es ist in Diskussion in der Nationalen Versammlung.

2.1 Die Veranlagungen des Artikels 61 der Vertragsreise werden zunehmend in die venezolanische Gesetzgebung durch das folgende Normative eingeführt:

Entscheidung 486, Marken und Patents.

Artikel 237. die Handlung des Wiederfindens; Artikel 238-244. Die Handlung für Infracation; Artikel 245-249. Preventive Aktionen; Artikel 250-256. Maßnahmen in Frontier; Artikel 257. Handlung für Gefängnisse, die es zur nationalen Gesetzgebung erlässt,; 258-259 Handlung Treuloser Konkurrenz.

Strafbarer Verfahrenstechnischer Organischer Code (COPP).

Die Verfahren des fälligen Prozesses und alle Prozessgarantien begründet werden.

Gesetz von Customses

Es legt die Einhaltung in industrieller Eigenschaft fest.

Wenn strafbare Sanktionen immer noch gegen die Übertretung anderer Figuren geweiht werden, wenn es als Größe-Patent so sehr Defizit im Typologie ist, die nach dem

besonderen Gesetz wie in den anwendbaren Sanktionen begründet wird. Im alleinigen Strafbaren Code steht man als Verbrechen die Enthüllung des Geheimnisses der Erfindungen, aber nicht die Verfälschung oder die Verwendung der patentierten Erfindung. Diese Lücken werden in den Gesetzprojekt gefüllt, der in Diskussion noch ist.

Als wir sahen, gibt es so sehr besondere Gesetze für die treulose Konkurrenz entweder in der Umgebung der loyalen Ausübung des Gewerbes, oder in der treulosen Konkurrenz, die geschützte industrielle Rechte mit sich bringt - in dieser zweiten Mutmaßung wird die Entscheidung 486 angewandt. Gleichzeitig existiert der sehr neue besondere Gesetz gegen die Verbrechen, die gegen die Systeme und Technologische Bestandteile der Informationen (Software) gemacht werden, die Computerverbrechen, aber jene mittels dessen die Verwendung davon Technologien werden gemacht, um Verbrechen zu machen. Es werden diesem Weg die Bestimmung der Eigenschaft intellektueller Artikel 25 und das betrügerische Angebot, Artikel 26.

2.2 Strafbare Verantwortung in den Taten des Rechtes des geistigen Eigentums.

In Venezuela regiert es dem Principle "Nullum-Verbrechen nulla poena sine lege", der im Artikel 49 Ziffer 6 von der Staatsverfassung steht und begründet, dass keine Person fähig sein wird, von Taten oder Auslassungen sanktioniert zu werden, die nicht als Verbrechen, Mängel oder Übertretungen im bestehenden Gesetze geweiht werden.

Gleichzeitig wird in Artikel 44 Ziffer 3° begründet, dass die Strafe nicht von der verurteilten Person übersteigen kann. Es wird keine Verurteilungen zu ewigen oder infamen Strafen geben, und die Freiheitsberaubung Strafen werden von dreißig Jahren nicht übersteigen.

Sobald wir den gesetzlichen Fleck gesehen haben, wo diese Sache enthalten wird und die Kritiker zu seinem fehlerhaften Schreiben gemacht haben, und der Notwendigkeit, die kommerzielle Wirklichkeit und die negativen Folgen an der Wirtschaft der Gesellschaft des Landes anzupassen, überholen wir, um die Elemente zu skizzieren, die in Venezuela notwendig werden, damit die strafbare Verantwortung im industriellen Feld und dem Intellektuellem konfiguriert wird.

Anforderungen:

Der Typologie, es heisst, dass die tadelnswerte Handlung in der Gesetzgebung als Verbrechen in Erwägung gezogen wird, entweder im Strafbaren Code, nach dem Gesetz der Industrial Property, Gesetz Zum Copyright oder nach dem Gesetz zu den Computerverbrechen.

Gleichzeitig als Grösse industrielles Recht, damit das Verhalten des Täters in der strafbaren Mutmaßung betrachtet sein kann, ist es erforderlich, dass die Erfindung, das Muster oder das industrielle Design, oder die Marken registriert werden,; das ist zu sagen, dass der "**nicht strengte Bindung an das Recht**" bedient wird, wenn der Besitz am Recht vor der registrierten Inschrift geschützt wird.

Die Verbrechen gegen das geistige Eigentum sind **Verbrechen auf Aktivität**, die sie die Kommission für Auslassung nicht zugeben. In Folge ist **die Strafbarkeit** für diese Handlung **Beklagenswert**, haltbar und freiwillig . Es bedeutet, dass die Kommission nicht von Unvorsichtigkeit zugegeben wird.

Auch in den Verbrechen gegen die Patente und die Marke ist es erforderlich, dass die typische Handlung mit **kommerzielle oder industrielle Enden** ausgeführt wird. Wenn der kommerziellen Zweck fehlt, keine unstrenge Bindung an das Recht existiert, Artikel 53,100,129 Entscheidung 486, im Fall der Marke, obwohl diese Bedingung bleibt, wird die UNSTRENGTE BINDUNG breiter im Art 155 f, wenn es den Halter einer eingeschriebenen Marke befugt ist, die öffentliche Verwendung eines gleichen Zeichens zu der Marke zu behindern, die notorisch wohlbekannt ist, immer noch, wenn diese Verwendung für kommerzielle Enden nicht ist, wenn es eine Verdünnung der auffälligen Macht verursachen

oder vom Werbespot oder werbender Wert der Marke verursachen kann oder wenn es in einer ungerechten Verwendung seines Prestiges ist.

Die **Strafbarkeit** verlangt die Form des Betruges, die ist zu sagen, im Zweck des Agenten, die Tatsache auszuführen, dass verletzt das juristische Gut, das man führte. Dieser Betrug oder kriminelle Absicht ist bestimmt bis zum besonderen Ende von, um Gewinn zu erhalten oder zu bereichern bestimmt, wo die Vollendung der kriminellen Tatsache schon nur mit dem verbrecherischen Handlung betrachtet ist, das ist zu sagen, dieses ist genug die Einführung in kommerziellem Kreislauf zum Land, der Verfälschung, der widerrechtlichen Aneignung oder dem Rahmen, damit das Verbrechen fähig gehalten wird. Es ist nicht notwendig für die Materialisation vom Verbrechen, dass keine Schadenaufnahmen passiert haben.

Der Betrug ist das Signal des Verbrechens, der Willen und der Absicht, keine legale Benutzung des Gutes, das ermächtigte geschützt wird.

In den auffälligen Zeichen für die Verfälschung, Bestimmung, nachgemachte Änderung oder das Unterdrücken des Zeichens des Produktes. In den Erfindungspatenten, die Modelle des Nutzens oder in Hinsicht auf den industriellen Designs hat sich der Betrug verwirklicht und bewirbt sich, das Explodieren durch die Produktion, Marketing, die sich sorgt, beim Übertragen des Produktes oder patentierten Prozesses. In diesen Arten von Verbrechen existiert ein Vermutung juris tantum der Freiwilligkeit, des Vorsatzes.

Damit es das Gewissen und der Wille davon existiert, um ein patentgeschütztes oder ein auffälliges Zeichen zu nehmen oder anzueignen, wird es notwendig sein, dass der Agent Wissen hat, dass diese ihre Rechte eingeschrieben und geltend sind. Es heisst dann, dass das Problem der Entschlossenheit, wenn es fähig gewesen sein wird, zu betrachten, dass der Agent mit Wissen und Darstellung der Handlung, die er gemacht hat; in unserem Ansatz, wegen des Verfahrens, das es registriert, und zur Öffentlichkeit, die den Prozess regiert, muss der passive Kerl des Verbrechens die Existenz des Betruges oder subjektives Element des Verbrechens nicht prüfen, er hat genug, ihrem geschützten Recht und dem Handlungstäter zu zeigen, das sind zu sagen, das objektive Element zu demonstrieren. Wenn den Betrug und eine der Mutmaßungen nicht existieren, die in den Artikeln vorausgesehen werden, die dort konfiguriert werden sollten, wo es geweiht wurde, das nicht kommerzielle Verwendungen, die in gutem Will gemacht wird. Der aktive Kerl von der Handlung ist dieser, der diese Rechtfertigungsursache prüfen sollte.

Die Verletzung zum Brunnen wird in der Realisierung geweiht; in der Entwicklung des beschriebenen Verhaltens, nicht in ihrem Höhepunkt.

- 2.3 In Venezuela sind die zivilen Handlungen und die Gefängnisse unabhängig und autonome zum Halter von den verstoßenen Rechten, der sich dafür entscheiden kann, eine oder für andere oder beide zum gleichzeitig zu wählen.

Jetzt dann, alle verantwortliche Person kriminell von einem Verbrechen oder einem Mangel, ist es auch weltlich. Die geborene zivile Verantwortung vom strafbaren hört nicht auf, weil dieses oder die Strafe ausgelöscht werden, aber eher wird es als die zivilen Pflichten mit Abhängigkeit zu den Regeln des zivilen Rechtes. Diese zivile Handlung wird nach den Regeln der Strafbaren Verfahrenstechnischen Organischen Code (COPP) ausübt, nachdem der strafbare Satz stark ist,; ohne Schaden vom Recht des Opfers, vor der zivilen Gerichtsbarkeit zu fordern.

Die zivile Handlung für die Rückerstattung, Reparatur und Entschädigung des Schadensersatzes und Schadensersatz des Verbrechens, wird nur vom Opfer oder seinen Erben oder Vertretern, gegen den Autor und die Teilnehmer des Verbrechens und in seinem Fall gegen das dritte weltlich Verantwortliche geübt werden.

Der Strafverantwortung im industrielle Eigenschaft wird im Strafbaren Code vorausgesehen; nach den besonderen Gesetzen zu Verbrechen zu Freiheitsberaubung

Strafe als das Gefängnis; finanzielle und zusätzliche Strafe als die Veröffentlichung des Satzes. Die Verbrechen sind von öffentlicher Handlung. Nach dem Gesetz der Industrial Property vom Jahr 1955 werden den seitigen Verbotenen und die Mängel, die Gefängnisstrafe und Geldstrafe geweiht, und ihre Handlung wird bei der Bitte des wronged-Teiles geübt.

Die zivile Verantwortung ist wie für die Handlungen autonom, die in der Entscheidung 486 geweiht werden, die vom Artikel 273 beginnt.

Im Copyright wird die strafbare Verantwortung nach dem besonderen Gesetz in verbotenem Täterschaft mit dem Ansatz von Verbrechen-"sui-généris", der mit typischer Terminologie der Spezialität und eigenen des Copyrights begreift wird. Auch wird es sicher zurückgelassen, dass die strafbare Tatsache nach dem Strafbaren Code oder anderen Gesetzen als dem für Computerverbrechen eine schwerere Strafe erwähnte kann.

- 2.4 Die Verfälschung, es heisst, aller Handlungs, um betrügerisch zu imitieren, zu verschlechtern, zu fälschen, durch dessen die Wahrheit verfälscht wird, bildet gleich eine Mutmaßung, die so unter der Optik der zivilen Verantwortung behandelt wird, die im Normativen der Entscheidung 486 vorausgesehen wird, wo die Handlungen geweiht werden, um in ziviler Gerichtsbarkeit geübt zu werden,; wie unter die Optik der strafbaren Verantwortung, die so sehr im Strafbaren Code vorausgesehen wird, nach dem Gesetz der Industrial Property vom Jahr 1955, welcher in kurzer Zeit von einem neuen Gesetz reformiert zu werden, das neue typische Führungen begründet.

Wie für die strafbare Verantwortung juristischer Leute, wird diese Verantwortung nach dem neuen Gesetz zu den Computerverbrechen in seinem Artikel 5° geweiht. Andererseits, in den genannten Projekten der Gesetze industrieller Eigenschaft und organisierter Kriminalität, die in der Nationalen Versammlung analysiert werden, dieser Verantwortung, wo die ihre Grenzen festgesetzt wird; ihre Charakteristikder, die sie haben, und die Haupt- und zusätzlichen Strafe der solche typische Handlungen, die zugeschrieben werden. Wir haben dann das genannten Projekt, das es begründet folgendermassen:

Artikel 95: Die natürlich- und juristischen Leuten sind strafbare Subjekte nach dem gegenwärtigen Gesetz.

Erster Absatz: Juristische Leute werden strafbar antworten, wenn die Verbrechen durch Entscheidung ihrer Organe und mit der Verwendung ihrer gesellschaftlichen Ressourcen gemacht worden sind.

- 2.5 Sowie die strafbaren Gerichte sind befugt, von der Kontroverse auf dem zivilen Staat der Leute, der zur jeweiligen Gesetzgebung gewährt, ausdrücklich zu wissen, wenn dies ungefähr in einen strafbaren Versuch als ein Rechtsnachteil ebenso die Rechtsgültigkeit eines Rechtes von industrieller Eigenschaft, die fast als eine präjudizielle Kontroverse administrativer Sache vorzeigt, kann beschlossen werden, wenn es eine strafbare Tatsache von der Entschlossenheit der Kommission oder nicht abhängt. Der strafbare Richter, dem Artikel 145 vom COPP zufolge, kann die technischen Besprechungen machen, die es zweckmässig zu den Enden vom Begründen von der Wahrheit der Tatsachen für die juristischen Straßen schätzt, und die Gerechtigkeit gegenüber dem Antrag des Rechtes. In diesem Sinn schätzten die strafbaren Richter die Prüfungen das Gewähren zu ihrer freien Überzeugung und beobachteten die Regeln von der Logik, dem wissenschaftlichen Wissen und den Technikern und den Maximen der Erfahrungen. In diesem Sinn werden die konsultierten Experten und die Urteile, die über der Rechtsgültigkeit eines Rechtes industrieller Eigenschaft entstehen, fähig sein, von den strafbaren Richtern geschätzt zu werden. Das Recht der Eigenschaft industrieller Inhalt in einem entweder vom Staat als patentgeschützter Titel oder Registrierungsbescheinigung gewährten Dokument und dessen Rechtsgültigkeit in der gerichtlichen Umgebung befragt wird, wird als die Hälfte der Prüfung unterworfen werden und um zugegeben zu werden, es soll direkt oder indirekt den Gegenstand von der Untersuchung und nützlichem Objekt für die Entdeckung der Wahrheit ernannt werden.

2.6 Wie für die in der venezolanischen strafbaren Einteilung vorausgesehenen Strafen, die in der geltenden gesetzgebenden Körper und in den gesetzgebenden Projekten geweiht werden, können wir sie diesem Weg zusammenfassen folgendermassen:

Die **Hauptstrafe** sind das Gefängnis und die Karte im Fall von natürlichen Leuten und die Geldstrafe im Fall juristischer Leute.

Nach dem Strafbaren Code und dem Gesetz der Industrial Property 55 bestanden die Geldstrafe auf festen Quantitäten der das lächerlich ist. Nach den neuen Gesetzen wird die Karte zum Moment des definitiven Satzes mit Basis zur wirksamen tributpflichtigen Einheit berechnet werden.

Die **zusätzliche Strafe** sind diese, die anwendbare zu allem Verantwortlichen für die strafbaren Tatsachen gegen die industrielle Eigenschaft in Betracht gezogen:

- a) Die Veröffentlichung des definitiven Satzes, zum Kosten des Verbrechers, in einem Organ der Presse von nationalem Kreislauf und im Bulletin der Industrial Property.
- b) Der verfallene Pfand der Teams, Maschinerien, Instrumente, Substanzen, Güter, Rohstoff, Input und Objekte, mit denen den Verbrechen gemache hätte, sowie den kommerziellen, industriellen und finanzielle Produkten, die in der Tatsache genutzt werden.
- c) Die Suspendierung für ein Jahr der Ausübung oder Übung der industriellen, kommerziellen, berufsmässige und produktive Aktivitäten der industriellen Eigenschaft. Sowie die Suspendierung der Aktivitäten, dass eine Beziehung mit der Technologie von Informatik hat.

2.7 Die strafbaren Gerichte haben Konkurrenz, die Reparatur des Schadens und die Entschädigung des Schadensersatzes zu verarbeiten, die für die Kommission eines Verbrechens gegen die industrielle Eigenschaft entstehen. Ausdrücklich ist diese Begriffe im COPP in den Artikeln 415 bis den 424, in denen das Verfahren gleichzeitig begründet, den Anforderungen der Forderung, die Phasen vom Prozess, der Entscheidung und der Ausführung.

Die strafbare Handlung wird von Beruf vom Öffentlichen Ministerium geübt werden, außer wenn es nur vom Opfer oder seiner Anforderung geübt werden kann. Es begründet gleichzeitig das normative verfahrenstechnische Gefängnis von Venezuela. Es wird notwendig sein, nur den Fällen der Verbrechen von privatem Beispiel und den belangbaren Verbrechen vorherige Anforderung oder das Beispiel des Opfers zu bestimmen. Im strafbaren Prozess und wenn die strafbare Tatsache auf verfügbare juristische Güter patrimonialen Charakters zurückfällt, wird man fähig sein, den Zustimmungs, der die strafbare Handlung auslöschen kann, für den Richter zu genehmigen, mit den Anforderungen übereinzustimmen, beruhigte nach dem verfahrenstechnischen Gesetz.

2.8 Das Papier der technischen Experten in einem strafbaren Prozess hat den Wert, der zu den Regeln der Prüfung gewährt, und als die anderen Überzeugungselemente wird Wert haben, wenn die Teile und das Gericht seine Gleichförmigkeit ausdrücklich in die Einverleibung von seinem Urteil, Bericht oder Expertise zeigen. Die Experten sind Teil des strafbaren Prozesses.

Im venezolanischen strafbaren Recht ist es Bedingung-sine qua non das absichtliche Element. Deshalb der Artikel 61 des Strafbaren Codes begründet:

Niemand kann als Verbrechenverbrecher bestraft werden, der die Absicht nicht gehabt hat, die Tatsache auszuführen, außer, wenn das Gesetz es ihm als Folge von seiner Handlung oder Auslassung zuschreibt. Der eine, der in Mängeln erleidet, antwortet von ihrer eigenen Handlung oder Auslassung, obwohl es nicht demonstriert wird, dass er eine Übertretung

des Gesetzes machen will. Die Handlung oder die Auslassung, die vom Gesetz bestraft wird, wird als freiwillig betrachtet, außer wenn es das Gegenteil besteht.

Im Verfälschungsverbrechen schreibt die strafbare Norm dem Falschhandlungs diese Absicht zu. Die Verfälschung ist da ja falsch, weil es synonym Betrug von Betrug, Simulation, ist, deshalb der verfälscht, handelt unaufrichtig, das heisst, mit Absicht, die Wahrheit zu betrügen, die authentisch zu verfälschen. Man kann merken, dass der eigene Strafbare Code wenn von der Verfälschung spricht, weist es nicht auf "der den Absicht hat", aber eher begründet: "Alle, die verfälscht hätte,... ", das ist zu sagen, dass die eigene Norm mit dem Vorsatz angibt, und das Gesetz schreibt es ihm als Folge seiner Handlung zu.

2.9 Im Verfälschungsverbrechen, ist das Opfer der Halter des Gutes, das gesetzmässig geschützt und verfälscht wird, und auch, der öffentliche Verbraucher wenn denn durch diese Verfälschung betrogen worden ist, und sein Recht auf die freie Wahl geschadet worden ist; das ist der Grund des verfassungsmässigen Rechtes, nicht betrogen zu werden. Dieser Weg begründet die Artikel 117 der Nationalen Verfassung:

Alle Leute werden berechtigt werden, Güter und Dienste mit Qualität zu haben, auch als zu ein geeignete und nicht betragend Informationen über den Inhalt und Charakteristika von den Produkten und den Diensten, die sie konsumieren; zur Wahlfreiheit und eine gleich- und würdige Behandlung. Das Gesetz begründet die notwendigen Mechanismen, um jene Rechte zu garantieren, die Normen der Kontrolle von Qualität und Quantität von Gütern und Diensten, den Verfahren von der Verteidigung des öffentlichen Verbrauchers, dem Schadenersatz des verursachten Schadensersatzes und den korrespondierenden Sanktionen für die Übertretung dieser Rechte.

Kann das Opfer der Verfälschung die Dokumente des strafbaren und besonderen Prozesses und den Beweis der angeblichen Verfälschung im zivilen Prozesses benutzen? Die Antwort ist, dass immer wenn die Aufzeichnungen und die Dokumente, die in einem strafbaren Versuch und die Entscheidungen, die von ihnen ausgehen, öffentliche Dokumente bilden, die die Prüfung von seinem Inhalt bilden, der Glaubwürdigkeit von den Tatsachen gibt, und vom Recht, das dort debattierte, diskutiert und feststeht wird.

3 und 4.

Siehe 2.1.

Rapport Q169

par Madjid BOUZIDI, Alger

Les sanctions pénales relatives à la violation des droits de propriété intellectuelle

Introduction

Le droit de la propriété intellectuelle apparaît comme une matière interdisciplinaire car les rapports juridiques qu'il génère ressortissent à plusieurs domaines juridiques qui peuvent être appréhendés sous plusieurs angles d'approche suivant la nature de l'intérêt qui est en jeu.

Aussi, le droit positif régissant cette matière doit être élargi à ces domaines dont certaines règles sont relativement nouvellement créées en Algérie, et à d'autres qui sont en cours de création en ce qu'elles contribuent directement ou indirectement à la protection de la propriété intellectuelle.

Au-delà des règles classiques tirées du droit civil et commercial, plusieurs textes sont intervenus en 1990 notamment à travers le décret législatif du 7 décembre 1993 relatif à la protection des inventions et l'ordonnance du 6 mars 1997 relative aux droits d'auteurs et droits voisins venant remplacer les textes antérieurs qui sont inadaptés à la nouvelle conjoncture économique et commerciale de l'Algérie en transition vers l'économie de marché.

Dans le même sens, l'Algérie a adhéré en 1997 et 2000 respectivement à la convention de Berne relative à la protection des œuvres littéraires et artistiques et le traité PCT. Il a été promulgué, également, en 1995 la loi relative à la concurrence.

Le texte qui a inauguré les réformes législatives réside, sans doute, dans l'ordonnance du 2 février 1989 relative aux règles générales de protection du consommateur, texte remarquable par son caractère avant-gardiste en ce qu'il apporte une contribution efficace dans la répression pénale des fraudes et/ ou tromperie portant, notamment, sur la dénomination, l'indication de provenance, l'origine du produit.

Nous citerons aussi, l'avant projet de loi relatif à la publicité qui a été présenté et rejeté en juillet 1999 par le sénat. Ce texte interdit la publicité mensongère, et répute mensongère la publicité qui comporte des allégations, indications ou présentations fausses ou de nature à induire en erreur le consommateur, l'utilisateur ou l'utilisateur de biens ou services.

Enfin, il reste les deux derniers textes relatifs aux marques et aux dessins et modèles qui sont les plus sollicités, les mieux connus et les plus utilisés. Ces textes datent de 1966, ils sont la réplique des anciennes lois françaises de 1857 et 1964. Ils sont décriés à l'unanimité parce qu'ils sont jugés inadaptés, dépassés. Ces critiques sont partiellement fondées notamment sur le volet de la sanction pénale.

Nous reprendrons tour à tour ces textes en ce qu'ils intéressent directement ou indirectement la protection des droits de propriété intellectuelle et les sanctions pénales de leur violation.

2. Le droit positif

Les groupes sont invités à présenter le système légal actuellement en vigueur dans leurs pays du point de vue de l'application des sanctions pénales en droit de la propriété intellectuelle

2.1 *Plus particulièrement, les groupes sont invités à indiquer si les dispositions de l'art 61 du Traité TRIPS ont été introduites dans leurs législations nationales en ce qui concerne les marques et le droit d'auteur.*

Les lois nationales prévoient - elles des sanctions pénales en cas d'atteinte à d'autres droits de propriété intellectuelle, tels que brevets, dessins et modèles, concurrence déloyale etc.

Les dispositions pénales sanctionnant les atteintes au droit de propriété intellectuelle sont prévues dans les textes régissant chaque catégorie de droit: marques, brevets, dessins et modèles, droits d'auteurs et droits voisins et appellations d'origine.

(voir infra, parag 2.6).

La nouvelle législation sur les droits d'auteurs et droits voisins est conforme aux prescriptions de l'article 61 de l'accord ADPIC par la rigueur et la sévérité des peines qu'elles infligent, celles-ci devraient être suffisamment dissuasives.

A l'inverse, ne répondent pas aux exigences de l'accord ADPIC les lois sur les marques, les dessins et modèles et la protection des inventions.

Lors du séminaire du 29 juin 1999, portant sur le thème de la contrefaçon, tenu au siège de la Chambre Algérienne de Commerce et d'Industrie, le Ministre du Commerce interrogé sur la question de la mise en conformité de la législation algérienne avec les règles qui régissent le commerce international et les mesures attendues dans le domaine, a répondu ce qui suit:

"Dans leur globalité, les législations algériennes en vigueur relatives aux ADPIC sont conformes aux exigences de l'accord de l'OMC en la matière aussi bien en ce qui concerne les normes fondamentales de protection que les moyens de faire respecter les droits (procédures et mesures correctives internes visant à permettre aux détenteurs de droits de faire respecter efficacement leurs droits). Toutefois, des mesures législatives et réglementaires doivent être prises. Ces mesures concernent essentiellement les domaines suivants: brevets, droit d'auteurs et droits voisins, marques, dessins et modèles et enfin l'appellation d'origine. Il s'agit soit d'amender des textes existants soit l'élaboration de nouvelles législations ou d'adhésion à des conventions internationales auxquelles notre pays n'a pas encore adhéré la partie du programme législatif à engager se rapporte aux demandes des brevets (adaptation de notre législation sur les brevets, protection contre l'exploitation déloyale dans le commerce des données se rapportant aux produits pharmaceutiques et chimiques pour l'agriculture et protection des variétés végétales) ainsi qu'au domaine des schémas des circuits intégrés".

Le Ministre du commerce successeur a réitéré ce besoin de réforme.

2.2 *Les groupes sont invités à présenter quelles sont les conditions de la responsabilité pénale pour les actes de contrefaçon des droits de propriété intellectuelle*

Et notamment, cette responsabilité pénale exige-t-elle un élément intentionnel spécial?

Qui a la charge de la preuve de cet élément intentionnel? Cet élément intentionnel spécial est-il ou doit-il être positivement prouvé?

On peut classer les infractions en droit de la propriété intellectuelle, en Algérie, en deux catégories: les infractions matérielles où le contrefacteur ne peut invoquer sa bonne foi et les infractions intentionnelles qui exigent, au contraire, la réunion des éléments matériel et intentionnel.

Entrent dans la première catégorie, les infractions de contrefaçon stricto sensu de marques, c'est à dire une reproduction servile ou quasi-servile de marque protégée, ainsi que l'usage de la marque contrefaite.

Les atteintes aux autres droits de propriété intellectuelle figureront dans la deuxième catégorie.

La constitution du délit de contrefaçon de marque n'exige pas contrairement aux règles de droit pénal général la réunion des éléments matériel et moral, le délit est constitué du seul fait de la reproduction de la marque, l'élément intentionnel n'est donc pas nécessaire pour la qualification de la contrefaçon.

Il en est autrement pour les délits d'imitation frauduleuse, d'apposition, d'usage, de vente de produits dont la constitution est subordonnée par les alinéas 2 et 3 de l'art. 28 à l'existence à la fois des éléments matériel et intentionnel. "... commis frauduleusement ou sciemment" précise-t-il, alors qu'il reste silencieux pour l'infraction de contrefaçon.

L'article 29 al.1 de l'ordonnance dispose: "sont punis... ceux qui ont fait usage d'une marque frauduleusement imitée...", art. 28 al.2: "ceux qui ont frauduleusement apposé sur leurs produits...", art. 29 al.3: "ceux qui ont sciemment vendu ou mis en vente..."

Aussi, a-t-on déduit que le délit de contrefaçon stricto sensu est une infraction matérielle et les autres délits des infractions intentionnelles.

A la différence de la contrefaçon, l'imitation frauduleuse de marque se fonde sur les règles du droit pénal général, pour être constituée, le délit exige la réunion des éléments matériel et l'intention coupable c'est à dire la volonté chez l'imitateur de créer la confusion entre la marque authentique et la marque imitante.

Si l'appréciation entre les deux peut être difficile, les cas d'atteintes constatées sur le terrain sont plutôt des reproductions à l'identique, ou des imitations grossières qui ne laissent pas de doute quant à la nature de l'infraction.

Sont des infractions intentionnelles, les atteintes aux droits des dessins et modèles, droits d'auteur et droits voisins. A la différence du droit des marques, les textes régissant cette catégorie de droit ne font pas de différence entre le délit de contrefaçon et celui de l'imitation. "Toute atteinte portée aux droits du titulaire d'un dessin ou modèle..." (art.23 de l'ord. du 28 avril 1966 relative aux dessins et modèles).

De même, la loi sur le droit d'auteur dispose en son art.149: " est coupable du délit d'imitation et de contrefaçon quiconque..."

Font partie, enfin, de cette catégorie, les infractions aux appellations d'origine.

2.3 *Les groupes doivent également indiquer s'il existe des différences entre les actes de contrefaçon d'un droit de propriété intellectuelle du point de vue de la responsabilité civile et de la responsabilité pénale.*

Les groupes doivent indiquer si ce sont les mêmes actes de contrefaçon qui sont susceptibles d'engager la responsabilité civile et la responsabilité pénale.

Les délais de prescription de ces actes sont identiques du point de vue de la responsabilité civile et de la responsabilité pénale?

Les infractions intentionnelles qui ne peuvent être réprimées au pénal pour défaut de preuve de l'intention frauduleuse peuvent l'être au civil si la preuve matérielle de l'imitation susceptible d'engendrer la confusion est établie.

La victime peut exercer cette action civile qui relève du droit commun de la responsabilité civile pour faute et obtenir réparation du préjudice subi, la production de la preuve de la mauvaise foi de l'auteur n'est pas nécessaire.

La victime de la contrefaçon a le choix entre la voie civile et pénale, elle peut choisir l'une ou l'autre ou exercer concurremment les deux actions devant les juridictions civiles et pénales si leurs causes sont différentes.

Le choix de la voie pénale est avantageux puisque le tribunal pénal a plénitude de juridiction en ce qu'il peut statuer sur l'action pénale et civile et sur les exceptions liées à la validité du droit à la marque. De plus, la procédure pénale est relativement moins lente.

En pratique, cette voie est peu utilisée à cause de ses imprévisions notamment quant à la qualification de l'infraction et partant des risques de rejet des demandes en réparation.

La victime a la l'attitude de revenir devant la section civile du tribunal pour exercer une action en concurrence déloyale sur le fondement des règles de droit commun de la responsabilité. Sur ce terrain la partie n'est pas aisée non plus parce que le demandeur doit établir la faute, le préjudice financier et le lien de causalité. La complexité de cette dernière procédure est décourageante et peu de justiciables s'y aventurent.

Aussi, en cas d'atteinte au droit de la propriété intellectuelle, la victime qui se résoud à poursuivre choisit l'action en contrefaçon devant la section civile ou commerciale du tribunal.

La prescription des actions en matière de droit de propriété intellectuelle sont celles prévues par le droit commun et la procédure pénale. La prescription des actions contre les infractions portant atteinte au droit des marques, des dessins et modèles et des appellations d'origine est régie par les règles de droit pénal général. Ces infractions étant des délits correctionnels, elles se prescrivent en trois (03) ans. Par contre la loi de 1993 relative à la protection des brevets a prévu une prescription plus longue qui est de cinq (05) ans, art.35 (al.2).

L'action civile portée devant la juridiction pénale se prescrit dans le même délai, si elle est exercée devant la juridiction civile, elle se prescrit dans le délai de 15 ans conformément aux règles de droit commun, qu'il s'agisse d'une action en usurpation de marque ou en concurrence déloyale.

2.4 *Les groupes doivent également indiquer si leurs lois nationales prévoient la responsabilité pénale d'une personne morale pour des actes de contrefaçon.*

La responsabilité pénale de personnes morale du fait d'infraction au droit de la propriété intellectuelle peut être engagée conformément aux règles de droit pénal, des amendes peuvent être infligées aux personnes morales et des peines d'emprisonnement à ses représentants légaux.

2.5 *Le tribunal pénal qui statue sur la responsabilité pénale pour un acte de contrefaçon a-t-il le pouvoir de statuer sur la question de la validité du droit de la propriété intellectuelle ou cette appréciation relève-t-elle du seul pouvoir d'une juridiction civile?*

Si le juge pénal n'a pas le pouvoir d'apprécier la validité du droit de propriété intellectuelle et notamment d'en prononcer la nullité, est-il possible au défendeur à l'action en contrefaçon au pénal de demander un sursis à statuer pour saisir le juge civil ou l'office des brevets de l'appréciation de la validité du titre qui lui est opposé?

Si le requérant opte pour la juridiction répressive, la section correctionnelle du tribunal peut connaître de l'action civile. Si le prévenu soulève des exceptions relatives à la propriété de la marque, le tribunal correctionnel statue sur l'exception (art. 37 parag 2). Mais qu'en est-il des autres exceptions qui sont couramment invoquées, comme la nullité, la déchéance de la marque que le texte ne vise pas.

Partant du principe que le tribunal pénal a plénitude de juridiction, on pourrait étendre sa compétence à l'examen des exceptions autres que celle relative à la propriété de la mar-

que. Mais cette extension risque de se heurter à la restriction du droit pénal en matière d'interprétation.

Les autres exceptions préjudicielles susceptibles d'être soulevées devant la section pénale requièrent un examen par la juridiction civile parce que celle-ci serait mieux disposée pour traiter du contentieux de la propriété intellectuelle. C'est sans doute pour cette raison que le législateur a limité la compétence de la juridiction pénale à la seule exception relative à la propriété de la marque puisque cette dernière peut être prouvée par la seule production du certificat d'enregistrement de marque.

Les autres textes (droits d'auteurs, brevet, dessins et modèles) sont muets sur cette question, l'interrogation sur quelle des juridictions pénale ou civile aura à traiter de l'examen de la question préjudicielle relative à la propriété du droit est ainsi levée, le droit commun retrouve son terrain d'application.

Si le requérant porte son action devant la juridiction civile, c'est la section civile ou commerciale du tribunal qui est compétente. (La réforme de l'organisation judiciaire intervenue en Algérie en 1976 a supprimé le système de dualité de juridiction pour instituer un tribunal unique comportant des sections spécialisées pour chaque contentieux (civil, pénal, commercial...)).

2.6 *Les groupes doivent également indiquer quelles sont précisément les sanctions prévues par leur législation pénale pour des actes de contrefaçon des droits de propriété intellectuelle.*

Les tribunaux qui prononcent des sanctions pénales sont -il également compétents pour allouer des dommages-intérêts en réparation du préjudice subi par les victimes des actes de contrefaçon ou cela relève-t-il de la compétence exclusive des tribunaux civils?

Les sanctions pénales principales

La nouvelle réglementation sur les droits d'auteurs et droits voisins a renforcé la protection des titulaires de droits et aggravé les sanctions financières et les peines d'emprisonnement.

En effet, le montant des amendes prévues varie de 500.000 DA à 1.000.000 DA, il est porté au double en cas de récidive, les peines d'emprisonnement varient de 6 mois à 3 ans, et les deux peines sont cumulatives alors que dans le texte précédant (de 1973) le montant maximum de l'amende n'était que de 10.000 DA et les peines privatives de liberté ne frappaient que le seul contrefacteur qui se livre habituellement aux actes de contrefaçon.

S'ajoutent à ces peines principales les sanctions de fermeture temporaire ou définitive d'établissement qui peuvent être prononcées par le tribunal, ainsi que la publication du jugement de condamnation.

Si les mesures précédentes sont laissées à l'appréciation du tribunal, la confiscation des revenus provenant de l'exploitation illicite de l'œuvre ainsi que le matériel ayant servi à la réalisation de la contrefaçon est obligatoirement prononcée. Le texte ajoute: "la juridiction... ordonne la remise du matériel ou des copies ou exemplaires contrefaits ou leur valeur, ainsi que les recettes et parts de recettes ayant donné lieu à confiscation..." à titre d'indemnisation du préjudice subi.

L'ordonnance relative aux marques punit des délits de contrefaçon d'une amende de 1000 à 20.000 DA, et d'un emprisonnement de 03 mois à 03 ans ou de l'une des deux seulement.

Pour les délits d'imitation, le maximum de l'amende est de 15.000 DA et les peines d'emprisonnement de 01 mois à 01 an.

Quand à l'ordonnance relative aux dessins et modèles, elle ne fait pas de différence entre le délit de contrefaçon stricto sensu et celui de l'imitation frauduleuse, elle punit le délit de

contrefaçon d'une amende de 500 à 15.000 DA. La peine d'emprisonnement ne frappe que le récidiviste ou l'auteur ayant travaillé pour la victime de la contrefaçon, la peine d'emprisonnement est de 01 mois à 06 mois.

Le tribunal a la faculté d'ordonner l'affichage du jugement, la confiscation au profit de la victime des instruments et des objets de contrefaçon

S'agissant des brevets, les sanctions pénales, sans être aussi laxistes que celles des marques, des dessins et modèles, demeurent insuffisantes puisque le montant minimum de l'amende n'est que de 40.000 DA et le maximum de 400.000 DA et une peine d'emprisonnement de 01 à 06 mois ou l'une des deux.

(N.B Les montants maximums des amendes frappant les délits de contrefaçon de marque, des dessins et modèles correspondent à peu près au traitement mensuel du cadre moyen de la fonction publique).

La loi sur les brevets, très sommaire, s'est bornée à donner compétence à la juridiction saisie d'accorder des réparations civiles et la faculté d'ordonner la cessation de la contrefaçon ainsi que " toute autre mesure prévue par la législation en vigueur " dit le texte, mais sans se prononcer sur lesquelles.

Les sanctions pénales complémentaires

Les ordonnances de 1966 et 1997 relatives respectivement aux marques, dessins et modèles et aux droits d'auteurs et droits voisins ont prévu expressément des sanctions complémentaires que le tribunal a la faculté d'ordonner suite à la décision reconnaissant la contrefaçon:

- la remise des produits de contrefaçon, à titre de réparation, à la victime de l'infraction,
- la confiscation des produits contrefaits ainsi que les instruments, ustensiles utilisés pour la commission de l'infraction,
- "peut" également être prononcée la publication du jugement.

Les modalités de la publicité sont déterminées par la décision qui l'autorise, soit par l'affichage, soit par insertion dans un ou plusieurs journaux arabophones et / ou francophones nommément désignés ou les deux à la fois.

La cour d'Alger "autorise l'intimée à afficher l'arrêt en cinq exemplaires et à le faire insérer dans les quotidiens: El Moudjahid, El Joumhouria et En Nasr aux frais des appelants, le tout seulement par extrait".

(Alger, civ. 23 avril 1971).

Autant les mesures précédentes sont laissées à la libre appréciation du tribunal, autant la mesure de destruction des marques contrefaites est obligatoire: "Il ordonne, dans tous les cas, la destruction des clichés et modèles de la marque dont il s'agit."

Enfin, la décision judiciaire qui prononce l'annulation du dépôt de la marque ou du modèle est publiée au BOPI.

Certaines sanctions ne sont pas prévues expressément par la loi sur les marques, elles tirent leur fondement du droit commun notamment les mesures relatives à l'attribution de D.I. ou encore l'astreinte.

D'autres mesures telles que l'interdiction de faire usage de la marque contrefaite, cesser la commercialisation, ou retirer du marché les produits de contrefaçon ont été prononcées par les tribunaux.

La décision judiciaire peut également ordonner la modification de marque qui prête à confusion de façon à l'empêcher dans l'avenir.

Les tribunaux d'Alger ont rendu des décisions en ce sens: "leur fait défense de faire usage des dénominations "selecto" et "selectra" de quelque façon et sous quelque forme que ce soit." (Alger, civ 9 mai 1969).

"...condamne les défenseurs à modifier les couleurs et les dessins de leur marque "Nedjma Essaad" pour la distinguer de la marque "Tahara Epilatoire" (Alger, civ 22 mars 1968).

Le recours à l'astreinte peut être nécessaire pour assurer l'exécution de telles décisions.

Comme pour les sanctions précédentes, l'allocation de dommages-intérêts sans être expressément prévue par les textes peut être prononcée si la victime de la contrefaçon subit un préjudice qu'elle doit, le cas échéant, établir.

2.7 *Les groupes sont enfin invités à donner toutes informations pratiques qu'ils estiment utiles pour la connaissance de leur système juridique et notamment des informations concernant la personne qui est investie du droit d'engager une procédure pénale, la charge de la preuve de l'infraction, la possibilité pour une partie de mettre fin à l'instance par une transaction, etc.*

Et les groupes sont invités à fournir, si elles existent, des informations statistiques concernant les recours à des procédures pénales (délai de procédure, coût, nombre de litiges dans le pays etc...)

Le déclenchement de l'action publique est ouvert au parquet s'il estime qu'il y a atteinte à l'ordre public, le délit de contrefaçon obéit aux règles générales de procédure pénale.

Dans la pratique le procureur n'exerce pas son action d'office en matière d'atteinte aux droits de propriété intellectuelle, la mise en œuvre de cette action est laissée à l'initiative des titulaires de droit. (Des cas de contrefaçon et/ou malfaçon de produits (disjoncteur, tuyau de gaz butane) risquant de porter atteinte à la santé et la sécurité du consommateur rapportées par la presse n'auraient pas fait l'objet de poursuite par le parquet.

C'est le cas de l'ordonnance relative aux marques qui désigne "le propriétaire de la marque" (l' art 38) pour exercer cette action. Cette disposition exclut - elle toutes les autres personnes susceptibles d'être lésées par la contrefaçon, tels: le cessionnaire, les licenciés, le distributeur exclusif de marque? En principe, non, puisque suivant la règle fondamentale de procédure civile, toute personne ayant intérêt peut ester en justice.

La lecture des dispositions ouvrant le droit d'ester en justice en cas d'atteinte aux autres droits de propriété intellectuelle conforte ce point de vue.

En effet, hormis les marques, les autres textes ouvrent le droit d'agir en contrefaçon au titulaire du brevet ou son ayant cause, à la partie lésée pour les dessins et modèles et à toute personne justifiant d'un intérêt légitime en cas d'atteinte à l'appellation d'origine.

Par conséquent, l'action n'est pas réservée au seul titulaire du droit de propriété intellectuelle mais à toutes les personnes susceptibles d'être lésées par cette contrefaçon. Au regard du droit de la consommation, la contrefaçon est une fraude et /ou tromperie sur l'identité, l'origine, les qualités substantielles du produit, elle est sanctionnée à ce titre sur le fondement des règles de protection du consommateur.

La contrefaçon peut donc recevoir toutes les sanctions civiles et pénales, ces dernières sont prévues par le code pénal auquel renvoie la loi du 2 février 1989 relative à la protection du consommateur, cette loi ouvre expressément cette action aux consommateurs isolés ou groupés ainsi que les organismes publics et parapublics ayant en charge le contrôle de la qualité et la répression des fraudes et la promotion du consommateur.

Au plan de la procédure, la saisie-contrefaçon est ordonnée par le président du tribunal par ordonnance sur pied de requête. En plus de la régularité formelle que doit présenter la requête, (la justification du dépôt de la marque, du modèle, notamment), le demandeur de nationalité étrangère est tenu de s'acquitter préalablement à la caisse du greffe de la "caution judicatum solvi" dont le montant est fixé par jugement avant dire droit si le défendeur national soulève "in limeni litis" cette exception. Cette condition de recevabilité est prescrite par le code de procédure civile et valable devant toutes les juridictions et quel que soit la nature du contentieux, cette formalité n'est donc pas spécifique au droit de la propriété intellectuelle.

Si le litige oppose deux nationaux, la faculté de prononcer ou non la mesure de cautionnement est laissée au juge.

La preuve en droit de la propriété intellectuelle peut être produite selon les modes de droit commun c'est à dire par tous moyens et selon les procédures prévues par chaque catégorie de droit. Le mode de preuve privilégié est celui de la saisie-contrefaçon qui est commun aux droits des marques, des brevets, des dessins et modèles et droit d'auteurs et droits voisins où le demandeur peut recourir à un expert pour faire procéder à une simple saisie descriptive du produit de contrefaçon ou une saisie réelle s'il souhaite le conserver sous main de justice.

La saisie réelle ou descriptive exécutée doit être suivie impérativement de l'assignation au fond au civil ou au pénal dans le délai de 30 jours à compter de la date du rapport de saisie, s'agissant des marques, dessins et modèles.

S'agissant de droits d'auteurs et droits voisins, la loi de 1997 a innové sur un double plan: elle a élargi la compétence et la qualité des auxiliaires habilités à rechercher les preuves et simplifié cette phase de la procédure de l'action en contrefaçon:

- désormais les officiers de police judiciaire peuvent constater l'infraction de contrefaçon (en réalité cette disposition ne fait que réitérer une attribution déjà conférée par le code de procédure pénale à tous les agents ayant le grade d'OPJ).
- les agents(assermentés) de l'ONDA (Office National des Droits D'auteurs).
- le tribunal est saisi à posteriori sur la base du P.V. de saisie, la juridiction doit statuer dans un délai de 03 jours sur la saisie.

Ces agents ont compétence légale pour procéder d'autorité à la saisie conservatoire des produits de contrefaçon sans autorisation préalable du tribunal. Toutefois, la loi introduit une réserve en exigeant de l'Office de se constituer lui-même gardien des objets saisis.

Concernant les statistiques relatives aux affaires traitées par les juridictions nationales en matière de droit de propriété intellectuelle, l'Institut National de la Propriété Industrielle (l'INAPI) fait état de 25 décisions rendues de 1966 à 2000 ayant acquis l'autorité de la chose jugée.

Selon la presse, cette même institution (l'INAPI) aurait enregistré une quarantaine de litiges se rapportant à des actions de contrefaçon dont 24 seraient tranchées et 17 en cours d'instance.

D'après l'état de l'INAPI, la totalité des affaires ont été portées devant les juridictions civiles.

Deux affaires (en cours d'instance) ont été poursuivies devant la juridiction pénale, ces affaires longuement rapportées par les médias auraient fait l'objet de sanctions pénales sévères.

Si l'issue de la première affaire (le procès en contrefaçon de la marque ARIEL) n'est pas encore connue, la seconde, celui du piratage des droits d'auteur de la star de rap KHALED par son ex-éditeur a défrayé la chronique. Cette dernière a fait l'objet d'une déci-

sion remarquable, la violation des droits d'auteurs a été reconnue et une somme de 5.000 000 DA a été allouée à l'artiste en guise de réparation du préjudice subi.

Dans le même ordre, selon la direction de l'ONDA, 16000 supports (cassettes, C.D.) ont été saisis au cours du seul premier trimestre 2000, mais l'action que l'office entend réserver à cette fraude n'a pas été évoquée.

2.8 *D'autre part, les groupes sont également invités à décrire le rôle des experts techniques dans cette procédure pénale.*

Et notamment d'indiquer si les opinions des experts techniques peuvent être utilisées pour démontrer que la validité d'un droit n'est pas évidente et que ce doute doit être pris en compte pour apprécier l'élément intentionnel du délit pénal.

Lors d'une procédure en contrefaçon, le juge peut faire appel à un auxiliaire de justice ou à un autre expert compétent pour recueillir son avis technique.

Cette procédure est prévue par le code de procédure civile, elle est réalisée conformément à l'ordonnance du président du tribunal qui la prescrit.

L'ordonnance de 1966 relative aux marques désigne l'huissier de justice pour constater et/ou rapporter des éléments de preuve par le moyen ordonné par le tribunal: saisie-déscription, saisie réelle, elle peut être rapportée par le moyen simple qui consiste à acheter dans le marché le produit de la contrefaçon sur la base duquel il dresse le procès verbal. Ce dernier mode de preuve aussi simple soit - il est le plus efficace et le plus usité.

Lors de la dernière foire internationale d'Alger de juin 2001, des traders français distributeurs exclusifs en Algérie de marques de produits agro - alimentaires ont fait constater sur le pavillon espagnol une exposition de produits de contrefaçon. Un constat en a été dressé et sommation interpellative a été faite au contrefacteur d'avoir à répondre, notamment, sur la commercialisation ou pas, en Algérie, du produit exposé au stand.

Il est recouru, enfin, aux experts-comptables pour l'évaluation du préjudice financier du fait des actes de contrefaçon. A notre connaissance, les victimes de contrefaçon introduisent rarement une demande en réparation financière en raison de la longueur, de la complexité et du coût de cette procédure. La victime généralement se satisfait de l'obtention de la cessation des actes de contrefaçon.

2.9 *Enfin, les groupes sont invités à faire connaître leur opinion générale sur des sanctions pénales pour les actes de violation des droits de propriété intellectuelle.*

Les affaires relatives aux atteintes aux droits de propriété intellectuelle arrivent de plus en plus devant les tribunaux, la prise de conscience des droits de la propriété industrielle chez le chef d'entreprise progresse sensiblement. Un cadre juridique efficace dans les dispositions répressives s'impose pour répondre aux attentes des titulaires de droit.

Autant la loi de 1997 relative aux droits d'auteurs et droits voisins a répondu à cette préoccupation, autant les autres textes demeurent, en leur état actuel, complètement dépassés, du moins, dans leurs dispositions relatives aux sanctions financières (les marques, les dessins et modèles et les brevets), ou dans leurs dispositions relatives aux peines privatives de liberté (brevet, dessins et modèles).

A cet égard, lors du séminaire national sur le thème de la contrefaçon, (évoqué précédemment), le Ministre du commerce a répondu en ces termes à la question de savoir si l'instrumentation juridique actuelle est suffisante:

"... il s'avère nécessaire voire urgent de doter le pays d'une loi spéciale sur la lutte et la répression de la contrefaçon et de dépasser surtout le cadre étroit des textes en vigueur en la matière, cette instrumentation juridique devra normale-

ment se traduire par le renforcement des prérogatives des pouvoirs publics et le renforcement du système de sanction des contrevenants."

Les autres textes qui participent indirectement à la protection pénale des droits de propriété intellectuelle, notamment, le texte de droit de la consommation promulgué en 1989, a prévu une peine d'emprisonnement suffisamment dissuasive puisque l'art. 429 du code pénal auquel renvoie la loi de 1989 sanctionne:

- "quiconque trompe ou tente de tromper le contractant
- soit sur la nature, les qualités substantielles.....
 - soit sur leur espèce ou leur origine
 - Soit..... ou sur leur identité,

d'un emprisonnement de 02 mois à 03 ans et d'une amende de 2.000 à 20.000 DA ou de l'une de ces deux seulement, de sanctions administratives: saisie des produits frauduleux, fermeture d'établissement.

Sur la base de cet article peuvent être engagées des actions de lutte contre la contrefaçon dans la mesure où le vendeur trompe intentionnellement ou non son client en commercialisant une marque contrefaite.

La loi de 1989 relative aux règles générales de protection du consommateur ainsi que les textes pris en son application sont un outil efficace pour lutter contre la contrefaçon s'il est mis à profit par les personnes concernées.

3. Les propositions de solution pour l'avenir

Sur la base de l'évaluation du système légal existant dans leur pays, les groupes sont invités à formuler des propositions pour l'avenir qui pourraient faire l'objet d'une harmonisation au niveau international.

3.1 Les groupes doivent s'exprimer sur l'opportunité de soumettre aux sanctions pénales l'atteinte à tous les droits de propriété intellectuelle: les sanctions doivent être élargies à tous les droits de propriété intellectuelle y compris les brevets d'invention?

La violation des droits de propriété intellectuelle quel que soit la nature du droit atteint a la même finalité et devrait donc recevoir une sanction pénale la plus dissuasive, qu'il agisse de brevets, marques dessins modèles et obtention végétale.

Toutefois, s'agissant de l'atteinte aux règles de jeu de la bonne concurrence, bien que celle ci peut être réalisée avec les mêmes comportements, elle ne peut cependant être assimilée à l'infraction de contrefaçon dont le législateur a défini les éléments constitutifs et poursuivi par l'action en contrefaçon alors que l'action en concurrence déloyale procède d'une autre cause dont les contours sont volatiles et que la victime utilise comme action de rechange à la première.

De lege feranda, la sanction pénale peut être envisagée contre les actes de concurrence illicégaux et sanctionnés comme tels que la loi aura énuméré au cas par cas dans les dispositions pénales du droit de la propriété intellectuelle.

3.2 Les groupes sont invités à formuler des observations sur l'existence de l'élément intentionnel comme condition de responsabilité pénale des auteurs des actes de violation des droits de propriété intellectuelle.

Cette violation doit-elle être délibérée?

La preuve du caractère intentionnel peut -elle résulter de la nature de l'infraction ou doit-elle être prouvée positivement par la victime de la contrefaçon?

Les systèmes juridiques modernes ont introduit dans leur législation la règle de présomption de responsabilité fondée sur la présomption de connaissance du vice à l'encontre des professionnels dès lors que le produit offert au consommateur recèle un vice, et réparation est due systématiquement à la victime dans les formes prévues par la loi.

Ces législations ont pour objectif à la fois la mise en place d'un certain ordre public de protection en faveur du consommateur en responsabilisant le professionnel, le fabricant et tous les intervenants dans le processus de commercialisation par des sanctions civiles (sans que la victime n'ait à rapporter la faute du professionnel) et pénales (sans établir l'intention frauduleuse).

Ce système peut, à notre avis, être envisagé dans les rapports entre professionnels en cas d'atteinte aux droits de propriété intellectuelle.

La loi de 1989 relative à la protection du consommateur renvoie à l'article 429 du code pénal pour la répression de la tromperie portant sur les produits et / ou services offerts au consommateur. Une contrefaçon peut être réprimée sous l'angle des dispositions pénales du droit de la consommation, pourquoi ne le serait-elle pas quand la même action est envisagée sous l'angle du droit de la propriété intellectuelle? De plus, cette responsabilité pénale sans élément intentionnel existe déjà en droit positif puisque la contrefaçon stricto sensu est considérée comme une infraction matérielle et le délit d'imitation comme infraction intentionnelle.

Toutefois, s'agissant de la répression d'infractions à l'ordre public économique, la valeur dissuasive de la peine devrait revêtir un caractère économique en alourdissant les peines d'amende, une réparation adéquate des préjudices qui s'en suivent, accompagnée de toutes les peines accessoires (fermetures, confiscation...), les peines privatives de liberté à cumuler avec les sanctions économiques précédentes frapperaient les seuls récidivistes.

- 3.3 *Le Juge Pénal doit-il statuer également sur la validité d'un droit de propriété intellectuelle dont la violation est reprochée dans le cadre d'une procédure pénale ou doit-il laisser la question de l'appréciation de la validité d'un tel droit à la compétence du juge civil ou de l'office des brevets, et surseoir par conséquent à statuer dans la procédure pénale en attendant que l'autorité compétente ait statué sur la validité du titre invoqué dans l'instance pénale?*

La complexité que peut revêtir un contentieux en droit de propriété intellectuelle requiert une garantie de qualification et de compétence du juge saisi. Le juge pénal doit surseoir à statuer au profit du juge civil s'il offre une meilleure garantie de compétence pour mieux apprécier un droit de la propriété intellectuelle, dans le cas contraire le juge pénal peut juger sur le principal et l'exception.

En l'état actuel de l'organisation judiciaire fondée sur le principe de l'unicité de juridiction et de la séparation des contentieux, il est subjectif de continuer à préférer la compétence du juge civil à celle du juge pénal.

La création d'une structure judiciaire nouvelle dans l'organisation judiciaire ayant pour domaine d'attribution tout le contentieux de la propriété intellectuelle serait fort utile. Peut être, qu'on y songera lorsqu'on réalisera le projet relatif à la création de tribunaux d'affaires. D'ici là, il peut être créé une sous section du contentieux de la propriété intellectuelle à rattacher à la section civile ou commerciale du tribunal.

Les offices de propriété industrielle peuvent être consultés pour fournir un avis sur la propriété d'un droit.

- 3.4 *Les groupes doivent enfin répondre à la question de savoir si la victime de la contrefaçon doit être maître de l'action pénale, c'est à dire, l'introduire et y mettre fin, notamment par transaction?*

La victime de la contrefaçon doit - elle pouvoir utiliser, notamment dans le cadre des procédures civiles, les pièces de la procédure pénale et en particulier les preuves de la contrefaçon reprochée?

Les modes de preuve et les pièces produites peuvent être indifféremment utilisés dans les deux procédures pénale et civile.

Les violations de droit de propriété intellectuelle quand elles sont qualifiées d'infractions pénales constituent à la fois une atteinte à l'ordre public économique et à la protection du consommateur. La transaction est un moyen indiqué pour des arrangements au plan des réparations, celle-ci ne doit pas éluder les actions civiles ou pénales que la loi réserve aux tiers juridiquement protégés.

4. Divers

Les groupes sont invités à faire part de tous les autres aspects de la question qui pourraient résulter de l'examen des questions ci-dessus qui ne seraient pas expressément mentionnées dans l'orientation de travail.

En effet, compte tenu du caractère pionnier de la question, l'AIPPI souhaite bénéficier de l'expérience des groupes nationaux, même lorsque certaines situations peuvent paraître exceptionnelles pour éventuellement pouvoir en tirer des conséquences sur le plan international.

Il s'agit de la "caution judicatum solvi" de droit commun qui est prévue dans l'ordonnance de 1966 et dans le code de procédure civile à l'égard du demandeur étranger qui poursuit en Algérie, celle-ci appelle à notre avis les observations suivantes:

La "caution judicatum solvi" doit être consignée à la caisse du greffe du tribunal saisi pour pouvoir continuer la procédure civile ou pénale engagée. Cette caution est prononcée obligatoirement par jugement avant dire droit dès lors que le défendeur national la soulève "in limeni litis", son montant est fixé souverainement par le tribunal.

La première observation réside dans le fait que cette exception de procédure peut constituer un moyen dilatoire inhérent à cette phase de la procédure relative à la fixation du montant du cautionnement que le défendeur exploitera en exerçant les recours prévus par la loi contre le jugement pour demander, par exemple, sa révision en hausse.

A l'inverse, le montant de la "caution judicatum solvi" peut être élevé, voire excessif (ce fut le cas dans certaines décisions), le demandeur subit à son détriment les vicissitudes de cette procédure en exerçant les mêmes recours pour demander la révision à la baisse.

Une fois le montant définitivement fixé, la procédure de transfert de fonds est engagée, et le procès sera d'autant retardé. Enfin, à l'issue du procès, la "caution judicatum solvi" libérée totalement ou partiellement, doit être restituée au demandeur. Or la réglementation algérienne du contrôle des changes, très restrictive, ne permet pas le libre transfert de devises.

Donc, la "caution judicatum solvi" constitue un frein à la célérité de la procédure en contrefaçon.

L'Algérie a conclu des conventions internationales dans les années 1960 et 1970 avec quelques pays de l'Europe de l'Est et la France (aujourd'hui encore en vigueur) qui renoncent à l'exigence de la "caution judicatum solvi" quand le demandeur étranger est ressortissant d'un de ces Etats.

La condition de recevabilité liée à la "caution judicatum solvi" vient en contredit les textes et l'esprit des accords ADPIC qui recherchent une procédure rapide, efficace, et la moins onéreuse possible.

La suppression de cette exception dans la procédure en matière de droit de propriété intellectuelle devrait être envisagée dès lors que les accords ADPIC implique désormais les Etats concernés pour apporter des garanties effectives pour un bon déroulement du procès et une bonne exécution de la décision qui en sera issue.