



International Trademark Association
Representing the Trademark Community since 1878

FOR DISCUSSION PURPOSE ONLY

**CRIMINAL PROSECUTION OF
COUNTERFEITING AND PIRACY
IN MEMBER STATES OF THE EUROPEAN UNION**

By the Task Force on Criminal Sanctions Of
The Anti-Counterfeiting and Enforcement Committee (ACEC)
European Union Subcommittee Of
The International Trademark Association (INTA)

2008/2009

(Finalized on February 2010)

DISCLAIMER:

This document is provided to facilitate the on-going discussions between INTA and policy makers on harmonization of criminal prosecution of trademark counterfeiting in the European Union. The country information provided in this report was prepared by INTA members or correspondents in each country of interest. For further information or if you have any questions, please contact INTA (Candice Li at cli@inta.org). The Report should not be construed as INTA position on any of the issues covered in the Report.

TABLE OF CONTENTS

	Page
FOREWORD	1
EXECUTIVE SUMMARY	2
ABSTRACT.....	4
CONTRIBUTORS FOR COUNTRY PROFILES	11
AUSTRIA	13
BELGIUM	16
BULGARIA.....	20
CYPRUS	23
CZECH REPUBLIC	27
DENMARK	30
ESTONIA	34
FINLAND	38
FRANCE.....	41
GERMANY	44
GREECE.....	48
HUNGARY.....	54
IRELAND	56
ITALY.....	59
LATVIA.....	64
LITHUANIA.....	67
LUXEMBOURG	70
MALTA	72
THE NETHERLANDS.....	76
POLAND	79
PORTUGAL	82
ROMANIA	84
SLOVAKIA	87
SLOVENIA.....	89
SPAIN	92
SWEDEN.....	96
UNITED KINGDOM	98

FOREWORD

INTA has strongly encouraged all governments and relevant international institutions to develop policies in the international legal framework for criminal sanctions against the offense of trademark counterfeiting. The European Commission of the European Union has taken steps to harmonize criminal enforcement among the Member States through the Draft Directive on Criminal Measures Aimed at Ensuring the Enforcement of Intellectual Property Rights (“Draft Directive”) proposed by the European Commission in 2006, as well as continued dialogue with industry. The European Union Subcommittee of the INTA Anti-Counterfeiting and Enforcement Committee (ACEC) has undertaken a comprehensive study on the status of criminal enforcement in each of the Member States. The report, totaling over 100 pages, was the result of two years of intensive data gathering and analysis undertaken by the Criminal Sanctions Task Force of the Subcommittee. The ACEC would like to thank the members of the Subcommittee and Task Force (listed at the end of the report) for their hard work and contribution. In particular, the ACEC recognizes Chehrazade Chemcham from Fulbright & Jaworski LLP and Pieter Van Den Broecke from Linklaters for their leadership of the Task Force.

Lucy Nichols
Chair of ACEC 2008-2009

EXECUTIVE SUMMARY

The International Trademark Association (“INTA”) strongly supports harmonized criminal sanctions against counterfeiting. INTA has supported with some reservations the Draft Directive on Criminal Measures Aimed at Ensuring the Enforcement of Intellectual Property Rights (“Draft Directive”) proposed by the European Commission in 2006 and now encourages continued dialogue on the topic of harmonization of criminal sanctions, including the Draft Directive, at European and national levels. The INTA Anti-Counterfeiting and Enforcement Committee (“ACEC”) European Union Subcommittee has been asked during its committee term 2008-2009 to examine the issue of harmonization of criminal sanctions for trademark counterfeiting in the European Union. To facilitate its examination, the ACEC has prepared this report titled “Criminal Prosecution of Counterfeiting and Piracy in Member States of the European Union (the “Report”).¹

The Report is a compilation of information on Member States’ criminal offenses that would fall under the categories of trademark counterfeiting and copyright piracy, criminal sanctions provided against such offenses, mental state required to constitute punishable criminal offenses, and procedures to be followed to get prosecutors to initiate criminal actions against offenders. While gathering country information the ACEC also asked each contributor to identify challenges facing right holders in bringing criminal cases against counterfeiters and copyright infringers. While the specific responses are not included in each country report, the ACEC summarized the most common challenges in the Abstract. INTA members from the 27 jurisdictions of the European Union contributed responses to the Report and a representative sample of large companies faced with serious trademark counterfeiting problems shared their insights with INTA.

To better understand criminal enforcement of intellectual property rights, and trademarks in particular, in the European Union, the ACEC sought to get the perspective of intellectual property lawyers tackling trademark counterfeiting at the national level and of right holders engaged in global, regional and national anti-counterfeiting programs. Both groups’ responses underscored the inconsistency in criminal enforcement of trademark counterfeiting and copyright piracy laws within Member States.

In particular, the ACEC found some similarities in respondents’ answers and experiences, regardless of their background and practice. Such similarities emphasize the practical challenges in bringing criminal cases against counterfeiters:

¹ The Report is not and should not be construed as the INTA position on the Draft Directive. For the official position of INTA, we refer you to INTA’s “Comments on Proposed Directive of the European Parliament and of the Council on Criminal Measures Aimed at Ensuring the Enforcement of Intellectual Property Rights” submitted in 2006 and “Comments to the Amendments Adopted by the European Parliament” submitted in 2007 (annexed to this document).

- Low level of penalties, lack of interest or knowledge of prosecutors, and poor or imprecise interpretation of the laws/statutes are obstacles to bringing successful criminal cases against counterfeiters.
- Lack of a harmonized definition of counterfeiting is a substantial impediment to successful criminal prosecution of trademark counterfeiting.

A detailed discussion on the two parts of the Report (right holders' perspectives and country-by-country information) along with a description of the methodology used to compile the information are included in the Abstract.

ABSTRACT

I. Background

INTA has supported the Draft Directive as a way to harmonize national laws covering systems of penalties applied to infringements of intellectual property rights. The Draft Directive also aims at supplementing Enforcement Directive 2004/48/EC on Intellectual Property Rights. If adopted, it would act as a strong deterrent against trademark counterfeiting and copyright piracy in the European Union. It would enhance cooperation among Member States and send a strong message that the crimes of trademark counterfeiting and copyright piracy are severely punished in the European Union.

In the last two years, INTA has engaged policy makers at the European Union and national levels to provide practical industry expertise as well as comments and recommendations on the Draft Directive.² Since April 2007 when the European Parliament adopted its first reading, further actions and discussions to adopt the Draft Directive have been put on hold and the Commission has been invited to analyze the opportunity to submit an amended proposal.

As a continuation of INTA's efforts to maintain and support dialogue on harmonization of criminal sanctions in the European Union, the INTA ACEC European Union Subcommittee formed a Task Force to further examine the issue of harmonization of criminal sanctions for trademark counterfeiting ("Task Force"). The Task Force compiled the Report. The Report was prepared for the purpose of informing and facilitating the on-going discussions between INTA and EU policy-makers on the issue of criminal prosecution of trademark counterfeiting. The Report consists of two parts: 1) a country-by-country examination of Member States' current criminal laws and enforcement against trademark counterfeiting and copyright piracy (the main part of the Report); and 2) a summary on the perspectives of right holders on their experiences in criminal prosecution of trademark counterfeiting in the European Union (included only in this Abstract).

II. Limitations of the Report

The Report is a working document drafted solely for the purpose of facilitating discussions between INTA and policy makers on the issue of harmonization of criminal sanctions in trademark cases in the European Union. While the ACEC strived to make the responses consistent, the language diversity of the EU limited its ability to standardize the interpretation of certain legal concepts and practices (e.g., penalties, intent). The views and information set forth in the Report are those of the contributors and should not be construed as INTA position. The sole position that INTA has officially taken on the harmonization of criminal sanctions in the European Union is set forth in INTA's "Comments on Proposed Directive of the European Parliament and of the Council on Criminal Measures Aimed at Ensuring the Enforcement of Intellectual Property Rights" submitted in 2006 and "Comments to

² INTA "Comments on Proposed Directive of the European Parliament and of the Council on Criminal Measures Aimed at Ensuring the Enforcement of Intellectual Property Rights" (2006) and Comments to the Amendments Adopted by the European Parliament" (2007).

the Amendments Adopted by the European Parliament” submitted in 2007. The Report includes information on copyright piracy. Please note, however, that such information on copyright was provided merely as a comparative tool to contrast trademark counterfeiting and copyright piracy. INTA invites readers to turn to authoritative copyright sources for comprehensive studies on copyright piracy.

III. Methodology

The INTA Task Force prepared a questionnaire that was sent to INTA members practicing intellectual property law in firms in all the 27 jurisdictions of the European Union. In total, 27 individuals contributed information, each providing data for their respective country in the fall of 2008 and supplementing data throughout 2009. The questionnaire focused on nine broad questions: (1) whether trademark counterfeiting is a crime in the relevant jurisdiction; (2) whether copyright piracy is a crime in the relevant jurisdiction; (3) if so, what law(s) criminalize(s) trademark counterfeiting and copyright piracy; (4) what specific acts are criminalized; (5) what mental state (*mens rea*) is required; (6) what types of penalties are provided; (7) what criminal procedures have to be followed; (8) whether there are any examples of criminal cases that were publicized; and (9) what are the shortcomings of criminal prosecution of trademark counterfeiting and copyright piracy. The individual country responses were then compiled by the Task Force in the Report and parts of the country reports were updated in 2009.

The Task Force also sent a questionnaire to corporate trademark owners who are members of INTA to ascertain their experiences in seeking criminal prosecution of counterfeiters in the European Union including: (1) whether corporate members have been or are involved in criminal actions against counterfeiters and in how many such cases on average in a year; (2) what practical difficulties or challenges they encountered; (3) to what extent the cases involved organized crime and how that has affected them; (4) what outcomes constitute a successful case; (5) whether current laws and regulations are effective in applying criminal measures against counterfeiters; and (6) how the Draft Directive would affect their ability to bring criminal actions against counterfeiters in Europe. Responses of a representative sample of right holders were reviewed by INTA and are summarized below.

IV. Trademark Owners’ Perspective on Criminal Enforcement of Counterfeiting in the European Union

Trademark owners that have provided input represent a cross-section of consumer product industries such as luxury goods, clothing and sportswear, food and beverages, and pharmaceuticals. All of respondents are or have been involved in criminal actions against counterfeiters in the European Union with 45% of them being involved in 15 or more cases and 36% involved in up to four cases per year. One of the companies stated that it deals with over 500 criminal and customs cases against counterfeiters per year.

Through the questionnaire, the Task Force tried to better understand the challenges faced by trademark owners on the criminal prosecution front. The lack of interest of prosecutors was cited as one of the biggest challenges in unsuccessful or difficult cases.

In light of the inconsistencies of criminal enforcement measures across Member States, more than 70% of the respondents stated that the Draft Directive is a key issue for their company. More than half stated that current European Union laws are not sufficient for the successful criminal prosecution of counterfeiters, but many also cited low level of enforcement as a key problem. The reasons for this varied from country to country, which is in and of itself part of the challenge. Some reasons stated by respondents include:

- inconsistent definitions and scope of the crimes and the required intent;
- insufficient level of penalties;
- poor interpretation of the law by judges, which has led many prosecutors to drop criminal cases;
- low level of fines/damages rendered by criminal court decisions;
- insufficient resources to enforce the law; and
- insufficient level of intelligence sharing among law enforcement agencies.

More than 60% of respondents believe that the adoption of the Draft Directive would improve their ability to bring criminal actions against counterfeiters in the European Union. Certain Member States currently do not apply criminal sanctions to trademark counterfeiting activities. Thus, harmonization of criminal sanctions would lead to more certainty and clarity for right holders and would have a stronger deterrent effect on counterfeiters. While good and consistent laws are needed, enforcement was identified as a key element for successful criminal prosecution of trademark counterfeiting and copyright piracy. However, in a statement representative of other comments received, one respondent stated that, “harmonized minimum criminal enforcement measures across the European Union would 1) help respond effectively to the increasing cross border nature of intellectual property rights infringement; 2) strengthen intellectual property right enforcement measures across the European Union and create effective deterrents for infringers (in all European Union countries); and 3) strengthen the European Union’s negotiating position on intellectual property right enforcement with third countries.”

The involvement of organized crime in trademark counterfeiting and copyright piracy is a growing challenge and, in many cases, is very difficult to ascertain due to these crimes being committed in more than one country. Thirty-six percent of respondents stated that their cases (up to four in one year) involved either organized and/or transnational organized crime. While some countries have made organized crime a priority and their enforcement agencies are more likely to take a case seriously if right holders can demonstrate that organized crime is involved, the following challenges remain:

- difficulty in assessing whether counterfeiters are part of an organized criminal organization, since many counterfeiters operate with partners outside of the European Union;
- loopholes in international and regional laws allow for organized criminals to operate freely; and
- differences in how “organized criminal organizations” are defined which creates confusion.

Despite the challenges faced in criminal enforcement, respondents have also cited successful experiences with the following key elements that made the case “successful”:

- willingness of courts to tackle trademark counterfeiting as a crime;
- conviction of top echelon manufactures/suppliers (one respondent stated that those convicted were working across four continents);
- imprisonment of criminals;
- freezing of criminals' assets;
- seizure and destruction of large quantities of counterfeit goods;
- access to information on suppliers/manufacturers of counterfeit goods;
- media coverage;
- rapidity of enforcement authorities and timely execution of raid actions;
- deterrent sanctions by courts;
- excellent intelligence on origin, shipping routes, transit ports, arrival ports and destination markers; and
- good coordination and communication between law enforcement agencies (customs, police, Trading Standards, etc).

V. Current State of Prosecution of Trademark Counterfeiting and Copyright Piracy In the European Union

Based on the responses provided by contributors thus far, the Task Force prepared the following summaries about (1) whether trademark counterfeiting and copyright piracy are criminalized and what acts are criminalized; (2) mental state required; (3) level of penalties; (4) criminal procedures; and (5) key issues encountered by contributors.

A) Definition and Acts Criminalized

It is clear that most European Union jurisdictions criminalize trademark counterfeiting and copyright piracy. We note, however, that Cyprus and Luxembourg do not currently criminalize trademark counterfeiting, but do criminalize copyright piracy.

The responses to the question about acts underlying trademark counterfeiting and copyright piracy were very different and difficult to compare. It is clear that there is no harmonized definition of trademark counterfeiting (aside from the definition of counterfeit goods in Customs Regulation 1383/2003) or even of what constitutes criminal trademark infringement. Most jurisdictions criminalize trademark and copyright infringement broadly provided there is the required intent. Because most jurisdictions define trademark use broadly, trademark infringement seems to be construed broadly by national courts and the following acts may thus be criminalized as trademark counterfeiting in a great number of jurisdictions: manufacturing, stocking, transporting, transferring, transshipping or otherwise disposing of counterfeit goods or labels, possessing counterfeit goods or labels for commercial purpose, importing, exporting and selling counterfeiting goods or labels. Most jurisdictions (except countries such as Bulgaria) also criminalize conspiracy, facilitation, solicitation, and attempts to commit the above mentioned acts.

B) *Mental State*

In all 27 Member States, the law requires a certain “state of mind” (*mens rea*) for an act to constitute a criminally sanctioned trademark infringement. Although local courts may construe what is generally referred to as “intent” somewhat differently (referring to it differently, *i.e.*, direct, actual, indirect, deliberate, willful, general or specific) courts generally require that trademark infringement be sanctioned under criminal laws only if committed willingly and knowingly, except in France where acts of counterfeiting are criminalized whether committed in good or bad faith. Due to the specific nature of trademark law, national criminal codes often add the requirement that the trademark infringement must take place in the course of trade and with the intention to gain profit. We note for comparative purpose, that such a requirement is far less common under copyright laws. Finally, in a limited number of jurisdictions, one may be penalized for having committed a crime even when acting merely negligently or recklessly (*i.e.*, where the infringer only should have known).³

C) *Level of Penalties*

There appears to be consistency in the types of penalties provided in the criminal laws of Member States. These are threefold and include (i) confiscation and destruction of property (*i.e.*, the infringing goods and/or any materials used to perfect the infringement), (ii) fines and/or (iii) imprisonment. However, there is considerable disparity between the level of the criminal sanctions, which may be applied to infringers, both in statute and in their application by criminal judges. The fines may range from as low as a couple of tens or hundreds of euros (*e.g.* in Austria or Greece) to an unlimited penalty. In Slovenia, no monetary fines can be imposed. A large number of countries apply so-called daily fines (*e.g.* Austria, Germany, Spain, Portugal and Romania), calculated in some cases based on the average income in that specific country (*e.g.*, in Estonia or Latvia). Jail sentences may range from up to three months to five or even ten years in certain jurisdictions (*e.g.* Greece, the United Kingdom), but the average appears to be in the range of (up to) two to four years. The countries that provide the highest maximum sentences seem to be France and the United Kingdom. The countries that provide the lowest maximum sentences appear to be Austria, Lithuania and Denmark. Many countries provide for penalty levels to be increased in case of aggravating circumstances. For comparative purpose, the same disparity appears to apply to copyright infringement.

D) *Criminal Procedures*

In general, local law enforcement bodies/police/customs authorities are notified by the right holder of instances of trademark counterfeiting or copyright piracy that require action or initiate investigations *ex officio*. A decision is then taken by the authorities whether or not to prosecute. In Finland, for example, the public prosecutor cannot initiate proceedings without the request of the right holder. In some countries, a criminal legal action can only be initiated by the public prosecutor (*e.g.*, Cyprus, Ireland) while in many Member States a right holder also has the opportunity of itself initiating a criminal case (by filing a complaint) (*e.g.* in Austria, Belgium, France or the United Kingdom). In all countries, there is no need to prove a link with organized

³ This seems to be the case for Austria, Germany and Poland (*dolus eventualis / recklessness*), Denmark and Sweden (*gross negligence*).

crime or a risk to health and safety. However, in many Member States, a link to organized crime or a risk to health and safety can or will lead to more severe penalties or have a positive effect on the level of priority given to similar instances of trademark or copyright infringements. In general, the type of collaboration that exists between prosecutors and right holders is the provision of information, for example, with respect to identifying a counterfeit item, general information sharing etc. There are no ethical or legal limits on collaboration between prosecutors and right holders in general, except to the extent where particular collaboration would be prohibited considering the secret nature of the criminal investigations (*e.g.*, France, Belgium).

E) Key Issues Encountered by Contributors

Contributors identified the following major obstacles encountered when trying to bring criminal cases against counterfeiters:

- **Trademark counterfeiting viewed as a low priority** – Due to a number of factors including shortage of resources, size of target or shipment, or general lack of understanding or appreciation of intellectual property rights, many countries' enforcement authorities, courts and prosecutors were reported to view and/or treat counterfeiting as a low priority. In some countries, authorities seem to be more willing to initiate prosecution or criminal investigations if the case or counterfeiter was linked to organized crime, drug or weapon trafficking, or posed risks to public health and safety.
- **Slowness of proceedings** – Prosecution delays and time consuming procedures were reported to hinder effective criminal enforcement. The length of time it takes to conduct criminal prosecution in many cases also increased the cost of the proceedings.
- **Insufficient or light penalties** – Low sanctions or penalties against convicted counterfeiters is another challenge to effective criminal enforcement, especially when one takes into account how expensive criminal actions can be for right holders.
- **Lack of knowledge and/or experience on the part of police, prosecutors or courts** – In some cases, contributors noted that authorities are not always familiar with intellectual property law or cases.
- **Lack of resources** –Lack of law enforcement resources was also mentioned as affecting the length of investigations as well as interest from enforcement authorities, who often pursue higher priority crimes.

In addition to the above challenges, the following were also mentioned as issues impeding effective criminal sanctions:

- Right holders' lack of access to prosecutors' files and non-utilization by law enforcement of information supplied by right holders;
- The necessity to file concurrent civil motions or, in the case of one country, the need for right holders to demonstrate that they are not able to enforce their rights themselves or that the case is significant before the prosecutor will commence criminal prosecution; and
- The high burden of proof for the required intent in some countries.

INTA ACEC LEADERSHIP 2008-2009

EUROPEAN UNION SUBCOMMITTEE AND TASK FORCE MEMBERS

ACEC Chair	Lucy Nichols – Nokia, China
ACEC Vice Chair	Bruce Longbottom – Eli Lilly and Company, United States
ACEC EU Subcommittee Chair	Armand Killan – Bird & Bird, Netherlands
Task Force Co-Leaders	Chehrazade Chemcham – Fulbright & Jaworski L.L.P, United States Pieter Van Den Broecke – Linklaters LLP, Belgium
Task Force Members	Vladimir Anohin – Agency Tria Robit, Latvia Patricia Conner – Volcom, Inc., United States Faisal Daudpota – Al Tamini & Company, United Arab Emirates Rebecca Delorey – Gibney Delorey, France Elizabeth May – Richemont, United Kingdom
INTA Contacts	Candice Li, External Relations Manager, Anti-Counterfeiting & Enforcement

CONTRIBUTORS for COUNTRY PROFILES

Country	Author(s) & Firm & Email	Reviewer(s)
Austria	Elisabeth Zakl Buchner, Sonn & Partner Patentanwälte	Christian Schumacher, Schönherr Rechtsanwälte Gmbh
Belgium	Pieter Van Den Broecke, Thomas Bedert Linklaters LLP	Cecilia Emanuelson, Inter IKEA Holding Services SA
Bulgaria	Mira Christova, Iskra Christova & Partners	Bojidar Bojinov, Bojinov & Bojinov Ltd.
Cyprus	Roddy Kyriakides, Emilianides & Kyriakides Law Office	Dr. Christos A. Theodoulou, The Law Offices Of Dr. Christos A. Theodoulou
Czech Rep	Dr. Michal Havlik, Associated Law Offices	Dr. Petra Korejzová, Korejzová & Spol.
Denmark	Dorte Wahl, Nina Ringen, Laura Nelson Erhardtson, Kromann Reumert	Sture Rygaard, Plesner
Estonia	Almar Sehver, AAA Legal Services	Riina Pärn, Alla Hämmalov, INTELS Ltd
Finland	Hanna-Maija Elo, Heinonen & Co, Attorneys-at-Law, Ltd	Kaisu Johanna Korpua, Nokia Corporation
France	Delphine Brunet-Stoclet, Shmidt, Brunet & associés	Rebecca Delorey, Gilbey Delorey
Germany	Astrid Gérard, Preu Bohlig & Partners	Beate Lalk-Menzel, Daimler AG
Greece	George Ballas, George Moukas, Pepy Ioakimides, Ballas, Pelecanos & Associates	Dr Nikolaos Lyberis, Vayanos Kostopoulos
Hungary	Dr. Sasvári Gabriella, SBGK Law Firm	Dr. Eva Ulviczki, Danubia Patent and Law Office
Ireland	Patricia McGovern, DFMG Solicitors	Richard Woulfe, Mason Hayes + Curran
Italy	Riccardo Cajola, Cajola & Associati	Lorenzo Litta, De Simone & Partners
Latvia	Vladimir Anohin, Agency Tria Robit	Agris Bitāns, Eversheds Bitans
Lithuania	Vitalija Banaitiene, Tarpine Ltd	Tatyana Sterlina, INTELS Lithuania

Country	Author(s) & Firm & Email	Reviewer(s)
Luxembourg	Katia Manhaeve, Thierry Schiltz, Allen & Overy Luxembourg	Olivier Reisch, Linklaters LLP
Malta	Dr. Peter Fenech, Sarah Galea, Ganado Sammut Advocates	Michael Grech, Grech Vella Tortell & Hyzler Advocates
Netherlands	Carja S. Mastenbroek, DLA Piper Nederland N.V.	Manon Rieger-Jansen, Bird & Bird
Poland	Marek Lazewski, Lazewska & Lazewski,	Ewa Kurowska-Tober, Linklaters LLP
Portugal	Isabel C. Franco, J.E. Dias Costa, Lda.	João Paulo Mioludo, Furtado
Romania	Dragos M. Vilau, Vilau & Mitel SCA	Andrew Vlad Ratza, Ratza & Ratza
Slovakia	Dr. Michal Havlik, Associated Law Offices	Dr. Petra Korejzová, Korejzová & Spol.
Slovenia	Mihajlo Zatezalo, SD Petosevic Serbia	Veronika Vojir VokalITEM d.o.o., Patent & Trademark Agency
Spain	Ives Jadraque, Alejandro Angulo, Grau & Angulo	Jordi Guell, Curell Suñol SLP
Sweden	Peter Eriksson, Albihns AB	Emma Linnér, Linklaters LLP
United Kingdom	Louise Zafer, Lovells LLP	Shelley Duggan, Procter & Gamble

AUSTRIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Intentional infringement of a trademark on a commercial basis may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. Intentional infringement of a copyright may constitute a criminal offense.

Under what law?

Trademarks:

Sections 60, 60a, 60b MschG (Austrian Trade and Service Marks Law). *See* Appendix 1.

Copyrights:

Section 91 UrhG (Austrian Copyright Law) and Section 35 MuSchG (Austrian Design Law). *See Id.*

What acts are criminalized?

Trademarks:

Intentional use of one's trademark on identical or similar type of goods or services may constitute trademark counterfeiting. Section 10a of the Trademark Law lists a few examples of what is understood by use of a sign, namely:

- affixing it to goods, or to the packaging thereof;
- offering the goods under that sign, placing them on the market, or holding them for these purposes;
- importing or exporting the goods under that sign; and
- using the sign on business papers, in announcements, or in advertising.

The scope of trademark protection against counterfeiting under Austrian national law is broader than the definition of counterfeit goods in the EU Customs Regulation.

In general, in light of the above broad definition, the following acts would constitute counterfeiting: manufacturing, stocking, transporting, transferring, transshipping, or otherwise disposing of counterfeit goods, possessing counterfeit goods for commercial purpose, importing, exporting and selling counterfeit goods.

Austrian law applies equally to counterfeit labels and goods.

There is no case law with respect to the criminalization of conspiracy, facilitation, solicitation, and attempt to commit the above acts in Austria.

Copyrights:

As stipulated in Section 91(1) UrhG, the following copyright infringements are criminalized:

- Unauthorized use of a work of literature or art in a way reserved for the author as well as recording, copying, distributing, broadcasting or otherwise publishing a performance of literature or music against the relevant provisions of the law, using a photograph, a sound recording, a broadcast or a data base against the relevant provisions of the law.
- Unauthorized copying or distributing of software or possessing or selling tools allowing unauthorized use of software or bypass of protection mechanisms against the aforesaid acts.
- Unauthorized bypass of means destined to protect copyright violations.
- Removal or change of identification markings.

What mental state is required?

For both trademark counterfeiting and piracy, specific intent (“vorsatz”) is required. However, “*dolus eventualis*” is sufficient, which means that the infringer does not strive for the realization of the result but views it as possible and accepts it.

Per Section 60 MSchG, for trademark counterfeiting, one must have intent to act with a commercial purpose.

What types and levels of penalties are provided?

For both trademark counterfeiting and piracy, a judge must impose fines of at least two daily rates (daily rated fines) with a value ranging between EUR 2 and EUR 500. The amount of the fine will depend on the infringer’s personal financial circumstances.

Trademark counterfeiting and copyright piracy are punishable by a jail sentence of up to two years. The law is not clear regarding the definition of “repetitive basis.”

Copyright infringements of the kind designated in UrhG Section 86 (1), Section 90b, Section 90c (1) or Section 90d (1) are punishable by a daily rate of EUR 360 and up to six months imprisonment.

Under certain circumstances (*e.g.*, the crime is not repeated within a certain period), the penalty may be imposed on a conditional basis.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

“Punitive” procedures can be instituted either before administrative bodies (customs in cases of smuggling), or before criminal courts.

Criminal offences can be prosecuted by the public prosecutor either *ex officio*, or upon application by the injured party.

The injured party has to request private penal prosecution within six weeks from the day the party learns of the offense and knows the identity of the offender. Since the identity of offenders is usually not known, prosecution of John Does (as an unknown person) is possible.

Criminal prosecution usually involves two phases, *i.e.*, juridical investigations before trial, and the main proceedings (trial). The investigatory part before trial need not be requested if all facts can be proven. In cases of prosecution against John Does (unknown person) the investigatory magistrate has the duty to search for the offender on the basis of the information available, *e.g.*, from customs or via Interpol.

When all available means are not fruitful, and there is no other way to identify the offender, the procedure is stayed. Confiscation of goods is also available when the suspect is not identified. Thus, before the procedure is stayed, one may ask for an order to confiscate the goods temporarily detained by customs, and to destroy them.

Once the investigation phase has come to an end, and provided the proceedings have not been stayed for failure to identify the offender, the injured party has to file a complaint detailing its claims. The judge can order further investigation if the evidence is found to be insufficient, *e.g.*, with regard to the personal liability of the offender. The judge then orders the main trial. After verification of the identity of the offender, the injured party presents its charge. Thereafter, the evidentiary phase starts. After the final pleadings for the prosecution and then for the defense, the trial is closed, and the verdict is rendered.

Criminal procedures: can they be initiated by right holders? If so, how?

Generally, right holder sues privately, that is, without the public prosecutor, for infringement of their intellectual property rights. The injured party must request private penal prosecution (prosecution under criminal law initiated by a private party) within six weeks from the day it learns of the offense and the suspected offender. Criminal prosecution usually involves two phases, namely juridical investigation before trial, and the main proceeding (trial).

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No

What type of collaboration is expected/allowed between prosecutors and right holders?

None

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

No

BELGIUM

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided such infringement occurs in the course of trade and with malicious or fraudulent intent.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyrights or a neighboring right, provided such infringement occurs with malicious or fraudulent intent.

Under what law? ⁴

Trademarks:

Articles 8 to 15 of the Act of 15 May 2007 concerning the punishment of counterfeiting and piracy of intellectual property rights, published in the Belgian State Gazette of 18 July 2007 and in force as of 1 October 2007. *See* Appendix 2.

Copyrights:

Articles 80 to 86ter of the Act of 30 June 1994 concerning copyrights and neighboring rights, published in the Belgian State Gazette of 27 July 1994 and in force as of 1 August 1994. *See Id.*

What acts are criminalized?

Trademarks:

Article 8 §1 b) of the Act of 15 May 2007 concerning the punishment of counterfeiting and piracy of intellectual property rights provides for criminal sanctions in case of specific violations of one's trademark rights. These rights are defined in Article 2.20.1 a), b) and c) of the Benelux Convention on Intellectual Property of 25 February 2005 and in Article 9 of the Regulation (EC) 40/94 of 20 December 1993 concerning the Community Trademark.

It should be noted that a violation of Article 2.20.1 d) of the Benelux Convention on Intellectual Property of 25 February 2005 (use of one's trademark other than to distinguish goods or services from those of another undertaking, including dilution claims) cannot be qualified as a criminal offence.

The following usage can be possibly infringing (Article 2.20.1 a), b) and c) of the Benelux Convention on Intellectual Property of 25 February 2005 and Article 9 of the Regulation (EC) 40/94 of 20 December 1993 concerning the Community Trademark):

⁴ The Benelux Convention on Intellectual Property of 25 February 2005 did not bring about uniform criminal sanctions in the Benelux countries. A set of other local laws, including the Belgian Criminal Code, the Customs Code or the Trade Practices and Consumer Protection Act also provide for criminal sanctions in relation to a number of related offences (including being part of a criminal organization, property theft, improper customs declaration, misleading or deceptive advertisement, etc.). For the purpose of this note, these related acts will not be taken into account.

- use of a sign, in the course of trade, which is identical with the trademark in relation to goods or services which are identical with those for which the trademark is registered;
- use of a sign, in the course of trade, where, because of its identity with or similarity to the trademark and the identity or similarity of the goods or services covered by the trademark and the sign, there exists a likelihood of confusion on the part of the public; the likelihood of confusion includes the likelihood of association between the sign and the trademark;
- use of a sign, in the course of trade, which is identical with or similar to the trademark in relation to goods or services which are not similar to those for which the trademark is registered, where the latter has a reputation in the Benelux / Community and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.

“Use” of a trademark may include, inter alia, the following (Article 2.20.2 of the Benelux Convention on Intellectual Property of 25 February 2005 and Article 9 of the Regulation (EC) 40/94 of 20 December 1993 concerning the Community Trademark): (i) affixing the sign to the goods or to the packaging thereof; (ii) offering the goods, putting them on the market or stocking them for these purposes under that sign, or offering or supplying services hereunder; (iii) importing or exporting the goods under that sign; and/or (iv) using the sign on business papers and in advertising.

In general, this will include acts of manufacturing, storage, importation, exportation, offering for sale and selling of counterfeit products. Act of conspiracy, facilitation, solicitation and attempt to commit the above acts are also criminalized.

Copyrights:

Article 80 of the Act of 30 June 1994 concerning copyrights and neighboring rights states that each copyright infringement equals piracy, provided it is being committed with bad faith or fraudulent intent.

Copyright use is normally divided into the act of copying (reproduction) or publicizing (making a copy available to the public).

Any physical or legal entity that sells, rents, offers for sale or rent, holds a stock for the sale or rent, or imports within Belgium, on a commercial basis, goods which are known to be obtained through piracy, shall be guilty of the same offence.

In general, this will include acts of manufacturing, storage, importation, exportation, offering for sale and selling of counterfeit products. Act of conspiracy, facilitation, solicitation and attempt to commit the above acts are also criminalized.

What mental state is required?

Either bad faith (*i.e.* willingly and knowingly infringing one’s rights) (“kwaadwillig opzet” / “intention méchante”) or fraudulent intent (*i.e.*, with the intention to gain through illegal means)

(“bedrieglijk opzet” / “intention frauduleuse”) is required, both in relation to the trademark and copyright infringements set out above.

What types and levels of penalties are provided?

Both for trademark and for copyright offences, an offender may be sentenced from 3 months to 3 years imprisonment and/or to a fine of EUR 100 to EUR 100,000 (Article 8 of the Act of 15 May 2007 concerning the punishment of counterfeiting and piracy of intellectual property rights and Article 81 of the Act of 30 June 1994 concerning copyrights and neighboring rights), to which amounts one must add legal surcharges (“opdecimen”). At the date of this report, this could result in actual fines of EUR 550 to EUR 550,000.

In addition to fines and custody, the criminal courts may impose a variety of orders such as compensation orders, restitution orders, forfeiture orders and confiscation orders.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

In general, the Belgian Code of Criminal Procedure applies in terms of bringing trademark or copyright infringers before the criminal courts.

Can they be initiated by right holders? If so, how?

As any other criminal offenders, counterfeiters and pirates are to be prosecuted by the public prosecutor, which can initiate investigations either *ex officio* (most often as a result of the input received through the police authorities) or upon the filing of a complaint by an interested party, including the right holder of the relevant IP right (being a physical person or a legal entity).

Should one prove a link with organized crime? If yes, what are the factors considered?

No, although the prosecutor’s office might possibly be more likely to engage in investigating trademark or copyright offenders when there is such a link (the same applies when there is a public health or safety concern or when links can be established with drugs or weapons trafficking or other major criminal acts).

Should one prove a risk for health and safety?

No, although again, health and safety hazards may bring the prosecutor’s office to give more priority in investigating related trademark or copyright matter and bringing it to the criminal courts.

What type of collaboration is expected/allowed between prosecutors and right holders?

Except for the possibility to initiate the prosecution, there is no structural collaboration expected/allowed between prosecutor and right holders. Criminal investigations are secret, also towards the injured party (whether or not that party joined the proceedings as a civil party). A party having certain interests in a criminal investigation may request to get access to the criminal file or be updated on the status of the investigations by the investigating magistrate. Only at the end of the investigations is there a formal right of the civil party to have access to the criminal file and/or to request additional investigation measures.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

No. In general, the authorities welcome the input received from right holders or their representatives. Confidentiality issues will always need to be taken into account.

BULGARIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Intentional infringement of one's trademark may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. Intentional infringement of one's copyright may constitute a criminal offense.

Under what law?

Articles 172a and 172b of the Bulgarian Penal Code.

Trademarks:

Article 172 b reads: A person who uses on a commercial scale a trademark, an industrial design, a geographical indication or an imitation thereof without the consent of the owner is punishable by imprisonment for up to five years or by a fine of up to BGN 5,000 (*i.e.*, about EUR 2,559.28).

Copyrights:

Article 172 a reads: A person who records, reproduces, spreads, emits, transmits or uses in any other way any copyrighted work without the consent of the copyright owner is punishable by imprisonment for up to five years or by a fine of up to BGN 5,000 (*i.e.*, about EUR 2,559.28).

What acts are criminalized?

Trademarks:

Use of one's trademark is defined broadly so as to encompass manufacturing, stocking, selling, importing, exporting, transporting, transferring, transshipping, or otherwise disposing of counterfeit goods and possessing counterfeit goods (for commercial purpose).

Conspiracy, facilitation, solicitation and attempt to commit the above acts are not criminalized under the Bulgarian Penal Code.

Counterfeit labels are treated as counterfeit goods.

Copyrights:

Recordation, reproduction, distribution, emission, transmission or other uses of a copyrighted work, without authorization, may constitute a criminal offense.

Conspiracy, facilitation, solicitation and attempt to commit the above acts are not criminalized under the Bulgarian Penal Code.

What mental state is required?

For both trademark counterfeiting and copyright piracy, under the Bulgarian Penal Code, direct intent ("Пряк умисъл") is required. Direct intent means that the infringer knows that he/she infringes third party rights and aims at unjust enrichment.

What types and levels of penalties are provided?

Trademarks:

The penalties for trademark counterfeiting are: (1) up to five years imprisonment or (2) fines up to BGN 5,000 (*i.e.*, about EUR 2,559.28). There are no general minimum years or fines provided by law. However, if the same person commits the same crime again, the penalty may range from five to eight years imprisonment and a fine from BGN 5,000 (*i.e.*, about EUR 2,559.28) to BGN 8,000 (*i.e.*, about EUR 4,094.84). The object of the crime becomes the possession of the Government and is destroyed.

Copyrights:

The penalties for copyright piracy are: (1) up to five years imprisonment or (2) a fine of up to BGN 5,000 (*i.e.*, about EUR 2,559.28). Furthermore in cases of recidivism and grave damages, the penalty could range from one to six years imprisonment and a fine from BGN 3,000 (*i.e.*, about EUR 1,535.57) to BGN 10,000 (*i.e.*, about EUR 5,118.56). If the crime does not involve large quantities, the actor may only be punished by an administrative penalty, *i.e.*, involving either a monetary fine or the confiscation of the goods.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

For trademark counterfeiting and copyright piracy, criminal proceedings are initiated by filing a written warning that certain goods infringe third-party rights. The written warning has to be supported by evidence. On the basis of such a warning, the police will seize the goods and the prosecutor will start the criminal proceedings.

The proceedings may also be initiated by prosecutors *ex officio*.

Criminal proceedings: Can they be initiated by right holders? If so, how?

Yes. The right holder has to file a petition (warning) with the prosecutor's office, based on sufficient legal grounds, and request initiation of pre-trial proceedings to establish the crime. The pre-trial proceedings are initiated when the prosecutor issues a writ. Within two months (or upon the prosecutor's request for a shorter or longer period (no more than three months) of the initiation of the pre-trial proceedings, a final report regarding the crime is prepared by the investigation body and based upon it, the prosecutor will either terminate the penal proceeding, select an administrative penalty or start penal proceedings before the Court.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No

What type of collaboration is expected/allowed between prosecutors and right holders?

Oral and written collaboration.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

No

CYPRUS

Is trademark counterfeiting a crime in your jurisdiction?

No. Typically trademark counterfeiting is a civil matter covered by the Cyprus Trade Marks Law, Cap. 268 as amended by Laws 63/62, 69/71, 206/90, 176(I)/2000, 121(I)/2006 and by the various Cyprus Regulations of 1951-92 as amended. Articles 9 & 12 of Cyprus Law No. 133(I)/2006 implementing EU Council Regulation 1383/2003 (regarding Control of Movement of Goods which Infringe Intellectual Property Rights) makes it a crime to import or export goods which infringe intellectual property rights (including trademarks).

Is copyright piracy a crime in your jurisdiction?

Yes, there are various criminal provisions in the Cyprus copyright legislation. Copyright law is regulated by the Copyright & Related Rights Law of 1976 to 2006 (Law No. 59/1976 as amended by Laws 63/77, 18(I)/93, 54(I)/99, 12(I) 2001, 128(I)/2002, 128(I)/2004⁵ & 123(I)/2006).

Under what law?

Trademarks:

Articles 9 & 12 of Cyprus Law No. 133(I)/2006 implementing EU Council Regulation 1383/2003 (regarding Control of Movement of Goods which Infringe Intellectual Property Rights).

Copyrights:

Articles 14(a) (1) & (2) of Copyright & Related Rights Law of 1976 to 2006 (Law no. 59/1976 as amended by Laws 63/77, 18(I)/93, 54(I)/99, 12(I) 2001, Articles 14 & 14(A) of 128(I)/2002, 128(I)/2004 & 123(I)/2006).

See Appendix 3.

What acts are criminalized?

Trademarks:

Under Law No. 133(I)/2006 the following acts are criminalized:

- attempts to clear (customs excise clearance) goods for free circulation for export or re-export in accordance with the EU Customs Code.
- imports or exports to and from the customs jurisdiction of the Republic of Cyprus.

⁵ Law no. 128(I)/2004 introduced stricter sanctions. (*See* Kluwer International, International Encyclopedia of Laws, Intellectual Property, Blanpain, Collucci-Vanhees Editors, Supplement 48 Cyprus by Dr. Christos A. Theodoulou pp. 27-42. For this point *see* pp 39-40).

- deferment of payment of customs excise duties.
- placement in free zones or bonded warehouse(s).

Any person who possesses or in any way contributes to the transportation, storage or concealment of any goods or trades in any goods which infringe intellectual property rights and knowingly believes such goods infringe intellectual property rights is guilty of a crime.

Conspiracy, facilitation, solicitation and attempt to commit these acts under Law No. 133(I)/2006 are criminalized.

Copyrights:

Under Law No. 59/1976 & Law No. 128(I)/2002, all relevant acts are criminalized, *i.e.*, manufacture for sale, advertise for sale, sell, display commercially and/or publicly, possess, to distribute and/or circulate, import or export goods infringing a copyright.

Also, under Law No. 133(I)/2006 the following acts are criminalized in relation to goods infringing a copyright:

- attempts to clear (customs excise clearance) goods for free circulation for export or re-export in accordance with the EU Customs Code.
- imports or exports to and from the customs jurisdiction of the Republic of Cyprus.
- deferment of payment of customs excise duties.
- placement in free zones or bonded warehouse(s).

Any person who possesses or in any way contributes to the transportation, storage or concealment of any goods or trades in any goods which infringe intellectual property rights and knowingly believes such goods infringe intellectual property rights is guilty of a crime.

Conspiracy, facilitation, solicitation and attempt to commit these acts under Law 133(I)/2006 are criminalized.

Conspiracy, facilitation, solicitation and attempt to commit these acts are not criminalized under Law No. 59/1976 & Law 128(I)/2002.

What mental state is required?

For both trademark and copyright infringements, willful intent (“prothesi”) to commit the acts described above is required.

It should be noted, however, that Article 9(2)(B) of Law No. 133(I)/2006 provides for criminal penalties where an individual carries out the acts prohibited by Law No. 133(I)/2006 (*see above*) without knowing that the respective goods infringe intellectual property rights. The penalty imposed is, however, smaller (*see infra*).

What types and levels of penalties are provided?

For both trademark and copyright infringements, the types of penalties are: (a) monetary fine and/or (b) imprisonment and/or (c) destruction of the seized infringing goods

Trademarks:

Under Law 133(I)/2006

- a fine not exceeding CYP 3,000 (*i.e.*, about EUR 5,130) or imprisonment not exceeding 3 years or both.
- for a second or any subsequent conviction (a least three), a fine not exceeding CYP 5,000 (*i.e.*, about EUR 8,550) or imprisonment not exceeding 5 years or both.
- a fine of up to CYP 1,000 (*i.e.*, about EUR 1,710) for anyone who commits the acts prohibited in Article 9(1), without knowing that the goods infringe intellectual property rights.

Copyrights:

Under Law 128(I)/2002 (amendment to Right of Copyright & Related Rights Law of 1976 to 2006) :

- a fine not exceeding CYP 30,000 (*i.e.*, about EUR 51,300) or imprisonment not exceeding 3 years or both.
- for a second or any later conviction, a fine not exceeding CYP 35,000 (*i.e.*, about EUR 59,850) or imprisonment not exceeding 4 years or both.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Ordinary criminal procedures are initiated by the Police or the Customs Authorities, *ex officio* or upon the right holder's request. The complaint is reviewed by the judge within about eight days of the initiation of such a criminal complaint and the hearing occurs at the earliest about three to four months later. Concurrent civil and criminal proceedings are possible although rare.

Can they be initiated by right holders? If so, how?

No criminal actions are initiated by the Police or the Customs Authorities.

Should one prove a link with organized crime? If yes, what are the factors considered?

No, it is not necessary to prove a link with organized crime.

Should one prove a risk for health and safety?

No, it is not necessary to prove a risk for health and safety.

What type of collaboration is expected / allowed between prosecutors and right holders?

Right holders are expected to be available to give evidence in any court hearings and provide any documentary evidence as to the nature of the counterfeit and genuine products and the illegal activity of the infringers.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

No, but right holders should limit their cooperation to the provision of assistance listed in the previous question to avoid any accusation of impropriety by the infringer.

CZECH REPUBLIC

Is trademark counterfeiting a crime in your jurisdiction?

Yes. The intentional infringement of one's trademark may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. The intentional infringement of one's statutory copyright may constitute a criminal offense.

Under what law?

Trademarks:

Czech Criminal Code, Act No. 140/1961 Coll., Section 150(1), as amended reads:

Each person that imports, exports or introduces on the market goods or services bearing a trademark without authorization of the trademark owner or bearing a sign capable of easy confusion with such trademark is punishable by imprisonment of up to two years, and/or penalty, and/or forfeiture.

Copyrights:

Czech Criminal Code, Act No. 140/1961 Coll., Section 152, as amended reads:

(1) Each person that infringes the statutory rights in copyright, artistic performance, audio or audiovisual recording, radio or television broadcast or database is punishable by imprisonment of up to two years, and/or penalty, and/or forfeiture.

(2) The perpetrator shall be punished by imprisonment from six to five years and/or penalty and/or forfeiture if,

(a) he or she obtains by the act under this subsection significant benefit, or

(b) commits such act to a significant extent.

What acts are criminalized?

Trademarks:

Regarding trademark counterfeiting, import, export and introduction on the market are expressly listed as criminal offenses. Manufacturing, possessing (with commercial purpose), stocking, transporting, transferring, transshipping, or otherwise disposing of counterfeit goods are not expressly mentioned in the law, but would constitute trademark counterfeiting because these acts would be considered attempts or uncompleted acts of intended introduction of counterfeit goods on the market.

These would apply to both counterfeit labels and goods.

Conspiracy, facilitation, solicitation and attempt to import, export, and introduce into the market may also constitute criminal offenses.

Copyrights:

Regarding copyright piracy, any intentional infringement of copyright may constitute a criminal offence. Criminal acts are not expressly defined in the copyright act. The copyright act only mentions “intentional infringement.”

Conspiracy, facilitation, solicitation and attempt to commit such an intentional infringement may also constitute criminal offenses.

What mental state is required?

For both trademark counterfeiting and copyright piracy, under the Czech Criminal Code, intent is always required, whether direct (“Přímý úmysl”) or indirect (“nepřímý úmysl”). Generally, under the Czech Criminal Code, a crime is committed intentionally if the perpetrator wants to violate or threaten the interest protected by the Criminal Code (direct intent), or knew that his act may cause such violation or threat and, in case such violation or threat would occur, the perpetrator was agreeable to it (indirect intent).

What types and levels of penalties are provided?

For both trademark counterfeiting and copyright piracy, the penalties are imprisonment for maximum two years, fines of maximum CZK 5,000,000.00 (*i.e.*, about EUR 200,000) and forfeiture. All three penalties may be imposed simultaneously. Imprisonment for up to two years may be suspended. For crimes punishable by imprisonment for up to three years, unsuspended imprisonment may only be imposed in exceptional circumstances. Trademark counterfeiting and copyright piracy will thus be typically punished by a suspended sentence.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

For both trademark counterfeiting and copyright piracy, anyone (regardless of whether they have been injured or not) may file a criminal complaint describing the alleged criminal conduct of another person and requesting the prosecutor or police to initiate criminal proceedings. Also, the police or customs may initiate criminal proceedings when they discover criminal activity.

As a general rule, the seized counterfeit goods are forfeited and destroyed.

Can they be initiated by right holders? If so, how?

Yes, in the manner described above.

Should one prove a link with organized crime? If yes, what are the factors considered?

Not necessarily. In case of a criminal conspiracy, the punishment (imprisonment) is increased by one-third. Belonging to an organized criminal organization is a general aggravating factor for assessing an appropriate sentence.

Should one prove a risk for health and safety?

No, it is not necessary, but such a link may be a factor in assessing the seriousness of a specific criminal act.

What type of collaboration is expected/allowed between prosecutors and right holders?

During criminal proceedings, right holders act in their capacity of injured persons and are asked to submit expert's statements that seized goods are counterfeit or pirated. Any further participation by right holders, *e.g.*, attending oral hearings, is a right, but not a duty.

Right holders may request the court to rule on damages as part of the criminal proceedings. In practice though, right holders are usually referred to by the criminal court to a civil court so that they can assert civil claims.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

N/A

DENMARK

Is trademark counterfeiting a crime in your jurisdiction?

Yes, if the infringement is deemed intentional or of gross negligence.

Is copyright piracy a crime in your jurisdiction?

Yes, if the infringement is deemed intentional or of gross negligence.

Under what law?

Section 42, Danish Trademark Act, Consolidated Act no. 90 of 28 January 2009.

Sections 76, 77, 80, Danish Copyright Act, Consolidated Act no. 587 of 20 June 2008.

Section 299b, Danish Penal Code, Consolidated Act no. 1068 of 6 November 2008 as amended by Act no. 1404 of 27 December 2008, Act no. 319 of 28 April 2009 and Act no. 501 of 12 June 2009.

See Appendix 4.

What acts are criminalized?

Trademarks:

Any intentional or grossly negligent infringement of trademark rights is criminalized. For the infringement to occur, the mark must be used in the course of trade. "Use in the course of trade" is a prerequisite for all grounds of infringement. Hence manufacturing, selling, trafficking goods (including importing and exporting, affixing counterfeit labels) bearing counterfeit marks without the consent of the right holder constitute criminal offenses.

Possession of counterfeit goods constitutes an infringement only if there is the intent to committing an infringing act. Mere possession without the required intent does not constitute an infringement.

Anyone who participates in a criminal act may be prosecuted. In terms of trademark counterfeiting; conspiracy, facilitation and solicitation are only criminal offences if the accused is participating in an intentional or grossly negligent infringement.

Copyrights:

Any intentional or grossly negligent infringement of copyrighted work is criminalized.

The Danish Copyright Act gives the creator of a protected work the exclusive right to control the reproduction of the protected work including the exclusive right to control its publication, distribution and adaption for the life of the creator plus 70 years. Thus, manufacturing, selling copies of the work constitutes copyright infringements and may be criminalized.

The mere *possession* of pirated goods does not in itself constitute an infringement, unless the pirated goods are possessed with the intent to commit an infringing act.

Importing pirated goods does not in itself constitute an infringement, unless the pirated copyright goods are imported with the intent to commit an infringing act. Exporting pirated goods does not in itself constitute an infringement. However, the preliminary work in advance of the exportation of pirated goods may constitute an infringement, *e.g.* the reproduction of the protected work. Affixing labels to reproduced pirated goods is not in itself an infringement.

Anyone who participates in a criminal act may be prosecuted. In terms of copyright piracy, conspiracy, facilitation and solicitation are criminal offences only if the accused is participating in an intentional or gross negligent infringement.

What mental state is required?

The Danish Trademark Act has been amended in December 2008. After the amendment, the criminal intent required in relation to trademark counterfeiting is actual intent (“forsæt”) or gross negligence (“grov uagtsomhed”).

For copyright piracy, actual intent (“forsæt”) or gross negligence (“grov uagtsomhed”) is also required.

There is no exact definition of actual intent in the Danish Penal Code or elsewhere, but the term is generally held to cover two situations: (1) the perpetrator by his actions deliberately aims at achieving the consequences, which constitutes the elements of the crime; (2) the perpetrator does not actually aim at achieving the crime, but accepts the effect likely to occur as a result of his actions.

Types and levels of penalties

In relation to trademark counterfeiting, the applicable penalties are fines and imprisonment for any term no longer than one year and six months (*see* the Trademark Act Section 42). However, under particularly aggravating circumstances, the penalty is imprisonment for any term no longer than 6 years (*see* the Penal Code Section 299b).

Regarding copyright piracy, the applicable penalties are fines and imprisonment for any term no longer than one year and six months (*see* the Copyright Act Section 76). However, under particularly aggravating circumstances, the penalty is imprisonment for any term no longer than 6 years (*see* the Penal Code Section 299b).

In recent case law, individuals and/or corporate entities have been sentenced to criminal fines of about DKK 20,000.00 (*i.e.*, about EUR 26,868.00) for trademark infringement and from DKK 10,000.00 (*i.e.*, about EUR 1,343.00) to up to DKK 100,000.00 (*i.e.*, about EUR 13,434.00) for copyright infringement.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

There are three starting points to have counterfeiters and pirates prosecuted:

- i. private prosecution initiated by the injured party;
- ii. proceedings initiated by the state at the request of the injured party; or

- iii. proceedings initiated by the state if the prosecution is deemed in the interest of the general public.

As to (i), private prosecution may be initiated by the injured party (the right holder) if the infringement is a violation comprised by Section 42(1) of the Danish Trademarks Act or Section 76(1) or 77(1) of the Danish Copyright Act.

The injured party initiates legal proceedings in accordance with the Danish civil procedure rules by submitting a writ of summons with the court against the infringer and claims penalty in addition to the claim of infringement.

As to (ii), proceedings may be initiated by the state at the request of the injured party if the infringement is a violation comprised by Section 42(2) of the Danish Trademarks Act or Section 76(2) or 77(2) of the Danish Copyright Act.

As to (iii), proceedings may be initiated solely by the state provided that prosecution is deemed in the interest of the general public or the infringer for the purpose of obtaining for himself or others an unlawful gain, or if the infringer otherwise under particularly aggravating circumstances has committed the infringement. *See* Section 42(2) of the Danish Trademarks Act, Section 76(2) or 77(2) of the Danish Copyright Act and Section 299b of the Danish Penal Code.

In case the legal proceedings are initiated by the state, the state will initiate the proceedings according to the Danish rules of criminal procedure.

Can they be initiated by right holders? If so, how?

Yes, *see* above.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No

What type of collaboration is expected/allowed between prosecutors and right holders?

The parties will usually collaborate in relation to gathering and sharing relevant information, since they basically have the same interest in the case. Often the prosecutor has very limited knowledge about the goods in question, and, thus, has no way of determining, for instance, whether a product is genuine or not. The prosecutor will therefore need access to the right holder's information, expert knowledge and, sometimes, even business secrets concerning the goods in question, in order to handle the case.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

There are no specific rules governing the collaboration between prosecutors and right holders. However, if the proceedings are being initiated by the state, the right holder is not considered a party in the case. Thus, the right holder cannot take actual part in preparing the case, but the prosecutor can obtain evidence from the right owner and examine the right owner as a witness

during trial, as long as these measurements are in compliance with the general rules of criminal procedure.

ESTONIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Intentionally trading in counterfeit goods and knowingly violating trademark rights may constitute criminal offenses.

Is copyright piracy a crime in your jurisdiction?

Yes. Intentionally manufacturing and trading in pirated copies of copyrighted materials with the purpose of distribution may constitute criminal offenses.

Under what law?

Trademarks:

Chapter 14 of Criminal Code, Sections 226, 227, 228, 229 and 230. *See* Appendix 5.

Copyrights:

Chapter 14 of Criminal Code Sections 219, 222, 222¹, 223, 224, 225 and 225¹. *See Id.*

What acts are criminalized?

Trademarks:

Trading in counterfeit goods, including possessing with the purpose of selling, offering for sale and selling, all constitute criminal acts. It is also a criminal act to knowingly violate the exclusive rights of the owner of a patent, utility model, trademark, industrial design or a layout-design of an integrated circuit. Unlawful use of a registered geographical indication also falls within criminalized trademark acts.

Copyrights:

Copyright acts may include copying (reproduction) or publicizing (making a copy available to the public). It is illegal to manufacture or trade pirated copies with the purpose of distribution. Possession or use of unlawfully reproduced computer programs with commercial purpose is also actionable. It is unlawful to communicate another person's work, invention, design or layout-design of integrated circuits under your own name. It is unlawful to remove the technical means of protection for preventing the violation of copyrighted equipment or devices (such as breaking the region codes for DVDs). It is a criminal act to manufacture software for commercial purposes, enabling illegal access to fee charging information services such as pay TV, pay radio programs and broadcasts (such as a fake code card to watch payable satellite or cable TV channels).

What mental state is required?

For both trademark counterfeiting and copyright piracy, only intentional acts (committed in deliberate intent, direct intent or indirect intent – *see* below) are punishable as criminal offences.

Intentional and negligent (committed in recklessness⁶ or carelessness⁷) acts are also punishable as misdemeanors.

Intent may be deliberate, direct or indirect.

- deliberate intent means the aim of the person is to create circumstances which belong to the necessary elements of an offence and the person is aware or foresees that such circumstances will occur;
- direct intent means the person knowingly creates circumstances which belong to the necessary elements of an offence and wants or at least tacitly accepts the creation of the circumstances; and
- indirect intent means the person foresees the occurrence of the circumstances which constitute the necessary elements of an offence and tacitly accepts that such circumstance may occur.

For all other intellectual property crimes (except for Section 226 offences) any degree of intent (deliberate, direct, or indirect) is sufficient. Deliberate or direct intent is required for Section 226 offences (knowing violation of the exclusive rights of the owner of a patent, utility model, trademark, industrial design or a layout-design of an integrated circuit).

Section 225¹ offence is the only offence punishable as a misdemeanor, *i.e.*, a lower standard of intent is required (any degree of intent or negligence).

Further misdemeanor offences are provided in special laws:

- Sections 81² to 81⁵ of the Copyright Act provide sanctions for misdemeanors related to copyright.
- Sections 73 to 76 of the Customs Act provide sanctions for misdemeanors related to violations of intellectual property rights in connection with Customs procedures.

What types and levels of penalties are provided?

For both trademark counterfeiting and copyright piracy, the main sanctions are fines and jail time for physical persons or only fines for legal persons. The main sanctions for misdemeanor offences are fines or arrest (detention) for physical persons or fines for legal persons.

What types and levels of penalties are provided?

- The penalties for criminal offences are: (1) fines; (2) imprisonment from 30 days up to three years; and/or (3) confiscation when applicable.

⁶ Recklessness means that a person foresees the occurrence of circumstances which constitute the necessary elements of an offence but, due to inattentiveness or irresponsibility, seeks to avoid the occurrence of such circumstances.

⁷ Carelessness means that a person is unaware of the occurrence of circumstances which constitute the necessary elements of an offence, when it should have foreseen the occurrence of the circumstances if attentive and conscientious.

- The penalties for misdemeanor offences are: (1) fines; (2) arrest up to 30 days, and/or (3) confiscation when applicable.

For a criminal offence, the court may impose fines of 30 to 500 daily rates. The court calculates the daily rate of a fine for physical persons on the basis of the average daily income of the convicted offender. The court may reduce the daily rate due to special circumstances, or increase the daily rate on the basis of the standard of living of the convicted offender. The daily rate applied shall not be less than the minimum daily rate. The minimum daily rate shall be EEK 50 (*i.e.*, about EUR 3.20). For legal persons, the pecuniary punishment ranges from EEK 50,000 (*i.e.*, about EUR 3,195.58) up to EEK 250,000,000 (*i.e.*, about EUR 15,977,91).

For a misdemeanor offence, the court or other officer having the appropriate legitimate rights (like customs officers) may impose to physical persons a fine ranging from three fine units up to 300 fine units. One fine unit equals EEK 60 (*i.e.*, about EUR 3.83). For legal persons the fine for intellectual property offences ranges from EEK 500 (*i.e.*, about EUR 31.96) up to EEK 500,000 (*i.e.*, about EUR 31,955.80). The daily rate is implemented only for criminal offences (as opposed to misdemeanors) levied on physical persons (or sometimes the manager of a company). Fine units are imposed for misdemeanor offences for physical persons. Since March 15, 2007, the relevant provision of the Criminal Code has been amended increasing the maximum rate of fines for legal persons to EEK 500,000 (*i.e.*, about EUR 31,955.80). While the rate of fines for misdemeanor offences specified in the Criminal Code (*i.e.*, Section 225¹ of the Criminal Code) and Customs Act (*i.e.*, Sections 73 to 76 of the Customs Act,) for legal persons have remained the same (*i.e.*, EEK 50,000 (*i.e.*, about EUR 3,195.58)), the sanctions stated in the Copyright Act (Sections 81² to 81⁵ of the Copyright Act, *see above*) have been increased for legal persons to a maximum of EEK 500,000 (*i.e.*, about EUR 31,955.80).

What are the procedures to follow to have counterfeiters and pirates prosecuted?

In both trademark counterfeiting and copyright piracy cases, police authorities or prosecutors open the criminal matter. Police and prosecutors can initiate proceedings based on any type of information they receive or learn. Proceedings are thus started either at right holders' request or *ex officio*.

Right holders must provide the investigating authorities a written statement declaring that the goods are counterfeits/or pirated and explaining why the goods are not authentic.

Can they be initiated by right holders? If so, how?

Right holders may file a complaint with police. Civil actions for damages can be a part of the criminal proceedings and the two actions may run concurrently.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No

What type of collaboration is expected/allowed between prosecutors and right holders?

Right holders must provide the necessary information and documents asserting their rights and confirming the infringement – such as statements regarding evidence that the goods are counterfeit.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

Usual professional business standards must be followed.

FINLAND

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Infringing trademark rights for profit and in a manner conducive to causing considerable financial loss to the trademark owner may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. The manufacture, sale, importation and/or export of pirated goods, may constitute criminal offenses.

Under what law?

Trademarks:

Criminal Code of Finland, Chapter 49, Section 2. *See* Appendix 6.

Trademark Act of Finland, Chapter 7, Section 39. *See Id.*

Copyrights:

Criminal Code of Finland, Chapter 49, Section 1. *See Id.*

Copyright Act of Finland, Chapter 7, Section 56a. *See Id.*

What acts are criminalized?

Trademarks:

All actions done in the course of trade that cause financial damage to the right holder, or an attempt to commit any of the following acts when no financial damage is ultimately caused to the right holder, including: manufacturing of counterfeit goods (as defined in Finland's Customs regulations), stocking, transporting, transferring, transshipping or otherwise disposing of counterfeit goods, importing, exporting, possessing or selling counterfeit goods.

Copyrights:

All actions done in the course of trade or in transit through Finland, including the manufacture, sale, importation and/or export of pirated goods, are criminalized under Finnish law.

What mental state is required?

Trademarks:

Pursuant to Section 39, Chapter 7 of the Finish Trademark Act, to be charged with a violation of trademark rights, the act must be deliberate ("tahallinen"). Conversely, according to Section 2 of Chapter 49 of the Finish Criminal Code, no intent is required for an intellectual property offence but the violation must be done in a manner that would cause considerable financial loss to right holder.

Copyrights:

Pursuant to the Section 56a, Chapter 7 of the Finish Copyright Act, a copyright violation occurs through willful or gross negligence (“tahallaan tai törkeästä huolimattomuudesta”) or through the mere importation (or forwarding to a third country) when the importer knows or has reasons to know that the manufacturing of the copyrighted material is illegal. As with an intellectual property offence, pursuant to Section 1, Chapter 49 of the Finish Criminal Code, a copyright offence must be made with intent to profit. No such intent is required, when the copyright has been infringed through an information network or with the help of a data processing system in a manner conducive to causing considerable inconvenience or damage to the right holder (*see* Section 3, Chapter 49 of the Finish Criminal Code).

What types and levels of penalties are provided?

For both trademark counterfeiting and copyright piracy, an offender may be sentenced to average fines of EUR 200 to EUR 1,000. The amount of the fines is commensurate to the severity of the violation and the infringers’ income (*see* Section 39, Chapter 7 of the Finish Trademarks Act and Section 56a, Chapter 7 of the Finish Copyright Act). An offender can also be sentenced to a maximum of two years imprisonment (*see* Sections 1 and 2, Chapter 49 of the Finish Criminal Code).

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Right holders (or their representatives) file a request for criminal investigation with the police or customs. Then the police/customs start the preliminary investigation. After the preliminary investigation has been completed, the case is forwarded to the prosecutor who then decides whether or not to prosecute the offender. The typical time frame for such actions can vary from a couple of months to almost a year.

Can they be initiated by right holders? If so, how?

Yes, right holders may initiate criminal proceedings. Prosecutors cannot initiate proceedings *ex officio*. Concurrent proceedings (for both civil and criminal actions) may be lodged, but then the claims in the civil case will be handled together with the criminal case.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No

What type of collaboration is expected/allowed between prosecutors and right holders?

As stated above, the prosecutor cannot prosecute (for criminal sanctions) *ex officio*. The right holder does not need to attend the hearing if only criminal sanctions (and injunctions) are sought. However, if right holders want to also claim damages, they must attend the hearing, as prosecutors will not present claims for damages on right holders’ behalf.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

No

FRANCE

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, regardless of whether one is acting in good or bad faith.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, regardless of whether one is acting in good or bad faith.

Under what law?

The provisions regarding criminal prosecution of infringement are included in the French Intellectual Property Code and in the Customs Code.

Article L716-9 et seq. of the French Intellectual Property Code. *See Appendix 7.*

Article L335-1 et seq. of the French Intellectual Property Code. *See Id.*

Articles 38, 215 and 414 of the French Custom Code. *See Id.*

What acts are criminalized?

Trademarks:

The French criminal law considers the following acts as criminal:

- importation, exportation, re-exportation or transshipment of goods presented under an infringing mark;
- industrial reproduction of goods presented under an infringing trademark, the giving of instructions or orders to commit the above mentioned acts for the purpose of selling, supplying, offering for sale or lending goods under an infringing mark;
- holding, importation or exportation of goods presented under an infringing trademark;
- offer for sale, or sale, of goods presented under an infringing trademark;
- reproduction, imitation, use, affixing, removal, modification of a trademark, a collective trademark or a collective trademark of certification in violation of the rights conferred by its registration; or
- delivering knowingly a product or providing a service other than that which is required under a registered trademark.

Copyrights:

Concerning copyright, the following acts are considered piracy:

- reproduction, performance or dissemination of a work of the mind, by any means whatsoever;
- any edition, sale, exportation and importation of infringing works.

What mental state is required?

The right holder may act against any person who infringes the protected rights, while no intent is required (*i.e.*, regardless of this person acting in good or bad faith).

What types and levels of penalties are provided?

Trademarks:

- The offender may be sentenced to up to four years imprisonment and a fine of up to between EUR 300,000 and EUR 400,000; If these offenses have been committed by members of a criminal organization, the penalties can be increased to up to five years imprisonment and a fine of up to EUR 500,000.
- The criminal court may moreover order the total or partial, permanent or temporary, closure (for a period not exceeding five years) of the establishment that was used in committing the offense.
- In case of a second offense, or if the offender is or has been bound by contract to the injured party, the penalties are doubled.
- The offender may also be denied voting rights and access to commercial courts, chambers of commerce and industry and chambers of trades and industrial tribunals for a period not exceeding five years.

Copyrights:

- The punitive sanctions for copyright piracy are up to three years imprisonment and a fine of up to EUR 300,000. The penalties can be increased to up to five years imprisonment and a fine of up to EUR 500,000 if the offenses are committed by members of a criminal organization.
- The criminal court may order the total or partial, permanent or temporary, closure (for a period not exceeding five years) of the establishment that was used in committing the offense.
- In case of a second offense, or if the offender is or has been bound by contract to the injured party, the penalties are doubled.
- The offender may be denied voting rights and access to commercial courts, chambers of commerce and industry and chambers of trade and industrial tribunals for a period not exceeding five years.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

In theory, the prosecutor is able to introduce *ex officio* directly a criminal case, but this is unusual. Usually, prosecutors act at the request of customs services or the right holder. When right holders see that their trademarks have been infringed, they can file a complaint with the prosecutor. The first step is to lodge a complaint with the public prosecutor. If after three months, the prosecutor takes no action, right holders may pursue the matter by filing a complaint with an investigating magistrate (“juge d’instruction”).

When customs discovers counterfeit products during an inspection, it may seize these products on its own initiative, immediately withdraw these goods from the market and place them under customs supervision. Customs, then, may inform prosecutors and right holders (who previously filed an application for intervention of customs) so that they may initiate court action within ten working days of such a notification. The right holder’s action is independent from the lawsuit initiated by customs, which may decide itself to sue offenders, depending on the circumstances.

Can they be initiated by right holders? If so, how?

The law allows for some level of collaboration between right holders and customs at the written request of the right holder. The customs administration may withhold during customs inspection any goods claimed by the right holder to be counterfeit.

In this case, customs may inform the right holder who can make a valuation of the seized goods. If the right holder owner confirms that the goods are counterfeit, customs will seize the goods for ten days. During this period, the right holder can file a criminal action against the counterfeiter. If within three months no investigation was initiated, the right holder can file a criminal complaint including a claim for damages.

Should one prove a link with organized crime? If yes, what are the factors considered?

No.

Should one prove a risk for health and safety?

No. The right holder does not have to prove any risk for the public health and safety. However, if there would be such a risk, penalties will be increased to up to five years imprisonment and a fine of up to EUR 500,000.

What type of collaboration is expected/allowed between prosecutors and right holders?

Not applicable (*see below*).

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

There is no formal mechanism for collaboration between prosecutors and right holders. Only police or customs are in charge of the investigation regarding the origin and extent of the infringement.

GERMANY

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal offense to infringe a trademark right, provided such infringement occurs in the course of business and with criminal intent.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal offense to infringe a copyright or a neighboring right, provided such infringement occurs with criminal intent.

Under what law?

Trademarks:

Articles 143-145 MarkenG (German Trade Mark Act). *See* Appendix 8.

Copyrights:

Articles 106-111a UrhG (German Law on Copyright). *See Id.*

What acts are criminalized?

Trademarks:

Article 143 MarkenG (German Trade Mark Act) lists the following acts:

- unlawful use of an identical or confusingly similar sign;
- unlawful use of a sign with the intention of taking advantage of or impairing the distinctive character or the reputation of a trademark;
- unlawful affixing of a sign; or
- unlawful offering, putting on the market, stocking, importing or exporting a get-up or packaging or a means of marking with the sign in question.

As a general rule, a precondition for any infringement or criminal act is an action “in the course of trade,” according to Article 143 Trade Mark Act.

Counterfeiting is not defined under German law, since there is a definition in the EU Anti counterfeiting Green paper; COM 98 (569), defining counterfeiting as encompassing each and every infringement of an intellectual property right. Not only fraudulent copies of products (fakes) are considered counterfeit, but also products which are identical or similar to the original, produced without the trademark owner’s consent.

The manufacturing of counterfeit goods is considered counterfeiting. The same applies to the possession, transport, transfer, transshipment, or otherwise disposal of counterfeit goods, as far as they enter the German market. Insofar as the offender “looses” the disposition over the

counterfeit goods, this “disposal” would also be criminalized. However, the uninterrupted transit of goods that have been affixed in a third country with a trademark protected in the home country (domestic trademark) does not constitute an infringement of a domestic trademark (*see* German Federal Supreme Court GRUR 2007, 876 – Diesel II). However, under the current regulations, local customs is entitled to stop goods in transit.

According to Article 143 of the Trademark Act, it is also a criminal offense to affix an identical or similar sign on trade dress or packaging or means of marking, or to offer, put on the market, stock, import or export such a trade dress or packaging or means of marking, *i.e.*, counterfeit labels.

Conspiracy to commit any of the above acts are, *i.e.*, where several offenders act together or an offender commits the criminal act himself/herself or through another person, is a criminal offense according to Section 25 of the German Penal Code together with the pertinent provisions of the Trade Mark Act (Article 143 ff).

The attempt, the instigation/incitement to commit the above acts are also criminal offenses (*See* Article 143 (3) Trade Mark Act, Articles 23 and 26 of the German Penal Code).

Facilitation (support to commit the above criminal acts) is also a criminal offense (*See* Article 27 of the German Penal Code).

Copyrights:

Articles 106-111a UrhG (German Law on Copyright) list the following acts:

- Any reproduction, distribution or public communication of a work or an adaptation or transformation of a work without the right holder’s consent;
- Affixing of a designation of author on a copy, adaptation or transformation of a work of fine art in such a manner as to give to the copy, adaptation or transformation the appearance of an original or distribution of a copy, adaptation or transformation bearing such designation.

Copyright piracy is not defined under German law. The sale of copyrighted materials falls within the distribution of a work; the same applies to importing and exporting pirated work. Transporting merely through Germany is not criminalized. However, the pirated work may be seized even in cases of a mere transport through Germany (*see* Regulation 1381/2003 and Section 111c of the Copyright Act). Storing pirated work is not mentioned in the criminal provision; it may be criminalized as facilitating an offense if there is the requisite criminal intent.

What mental state is required?

For both trademark counterfeiting and copyright piracy, criminal intent (“*vorsatz*”) is sufficient. Even “*dolus eventualis*” (“recklessness”) is sufficient, which means that the infringer does not strive for the realization of the facts but takes it for possible and accepts it.

Direct purpose (“*absicht*”) is only required under Article 143 (1) nos. 2 and 3b, and no. 5 MarkenG (German Trade Mark Act). Direct purpose is required where a person in the course of trade unlawfully uses a sign with the intention of taking advantage of or impairing the distinctive character or the reputation of a trademark, or such person affixes an identical or similar sign on

trade dress or packaging or means of marking or offers, puts them on the market or processes them for these purposes, insofar as third parties would be prohibited from using this sign, and the act is committed with the intention of taking advantage or impairing the distinctive character or the reputation of a trademark (*see* Article 143 (1) nos. 2, 3b and 5 Trade Mark Act, which refers to Article 14 Trade Mark Act).

Direct purpose (“*absicht*”) means that the offender’s will is directed to achieving the result. Intent (“*vorsatz*”) is presumed if the offender knows or anticipates that he is committing an offence.

What types and levels of penalties are provided?

For both trademark counterfeiting and copyright piracy, the laws provide for either fines or imprisonment for up to three years. If offenders act on a commercial basis they may be sentenced to up to five years in jail. There is no minimum jail time. No jail sentence was ordered in 2006 where the infringer in fact went to prison; rather, the imprisonment was mere “probationary custody.”

Fines may go up to several thousands of Euros. The minimum fine is EUR 5,000, fixed on a “daily rate” basis; that is to say a minimum of EUR 1 per day for a minimum of 5 days (Article 40 ff of the German Penal Code). Presently, the maximum fine is EUR 1,8 million, *i.e.*, 360 daily rates at EUR 5,000.

Furthermore, goods may be confiscated (*see* Article 143 (5) Trade Mark Act resp., Article 110 Copyright Act and Article 74 of German Penal Code). In addition, Article 73 of German Penal Code provides for the possibility that all of the offender’s acquired property becomes the state’s property. However, in practice, this possibility constitutes an absolute exception.

Finally, the Court may order the publication of the sentence upon the injured party’s request (*see* Article 143 (5) Trade Mark Act; Article 111 Copyright Act).

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Can they be initiated by right holders? If so, how?

For both trademark counterfeiting and copyright piracy, the offence is only prosecuted upon the right holder’s request, unless the public prosecutor considers that intervention *ex officio* is imperative because of a particular public interest in the prosecution of the criminal offence (*see* Article 143 (4) Trade Mark Act, Article 109 Copyright Act).

Criminal complaints have to be filed with the criminal prosecutor at the court where the criminal act has been committed or the offender resides. The prosecutor decides whether or not a criminal proceeding should be pursued. If the criminal act is “only” an offence for which the regular minimum punishment by law is a fine or less than a year’s imprisonment, the offender’s culpability is considered low and, if the court agrees, the prosecutor may decide not to pursue the proceedings (*see* Article 153 of the German Penal Code of Procedure). Under certain conditions the prosecutor may also close the proceedings setting certain conditions that the offender must comply with (*see* Article 153a of the German Penal Code of Procedure).

If the proceedings are pursued, the court then orders the case to go to trial (“main criminal proceedings”). A hearing takes place. Imprisonment is very rare; fines are more common.

Civil proceedings may be launched concurrently with criminal proceedings. Civil proceedings last about six to eight months in the first instance and a similar period at the appellate level. Criminal proceedings last the same amount of time.

Apart from the initiation of criminal proceedings by the prosecutor, or if the latter refuses to initiate such proceedings, the right holder can choose to pursue a criminal complaint by filing a “private complaint” (“Privatklage”), under Article 374 (1) no. 8 of the German Penal Code of Procedure. However, the private complaint is theoretical and not much practiced. It is rarely used as a legal weapon against counterfeiters.

Right holders often file an ancillary complaint (“Nebenklage”) under Article 395 of the German Penal Code of Procedure, that gives them access to the records and the right to attend court proceedings. Filing such a complaint is highly recommended to ensure adequate prosecution of intellectual property infringements under criminal law.

Should one prove a link with organized crime? If yes, what are the factors considered?

No. However, if such a link is established, the intellectual property infringements would be considered an official crime resulting in more severe penal sanctions.

Should one prove a risk for health and safety?

It is always helpful to prove a risk for health and safety as both courts and authorities show an increased sensitivity for public health issues.

What type of collaboration is expected/allowed between prosecutors and right holders?

Prosecutors are happy to receive information from right holders, regarding for example, channels of distribution, addresses of manufacturing companies, previous “patterns” /cases involving the counterfeiter (*e.g.*, known “reputation” for importing counterfeit products). It saves prosecutors time and effort.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

Of course the prosecutor may not be influenced in any unlawful way.

GREECE

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Intentional infringement of one's trademark may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. Intentional infringement of a copyright may constitute a criminal offense.

Under what law?

Trademark counterfeiting and copyright piracy are crimes under Article 28 Trademark Law 2239/1994 and Article 66 Copyright Law 2121/1993. Additionally, under Greek case law trademark, counterfeiting and copyright piracy may fall within the definition of crimes of "forgery"⁸ and "acceptance of counterfeit items"⁹ as these crimes are provided by the Greek Penal Code under Articles 216 and 394.

Under Articles 216 and 394 paragraph 1 of the Greek Penal Code, forgery and acceptance of counterfeit items are examined as separate criminal acts and, therefore, the penal responsibility of the offender is examined separately from the penal responsibility deriving from the relevant provisions of Trademark Law 2239/1994 or Copyright Law 2121/1993. It follows that the conviction (or acquittal) based on the penal provisions of Trademark Law 2239/1994 or Copyright Law 2121/1993 does not mean an automatic conviction or acquittal for forgery and acceptance of counterfeit items. Likewise, the requirements of Article 386 of the Greek Penal Code concerning fraud may be fulfilled, too and can, under certain circumstances, concur with the above mentioned criminal acts.

See Appendix 9.

⁸ According to Article 216 of the Greek Penal Code, forgery is committed when a person produces a forged or falsified document, aiming to mislead others by its use regarding a fact that may have legal consequences. Moreover, the said article punishes not only the actual act of forgery or falsification, but also the use of a forged or falsified document knowingly by a third person for the same misleading purpose. The term "document" should be understood in light of Article 13 of the Greek Penal Code, whereby a "document" is any mark/sign which is intended to prove a fact having legal consequences. In this context, a "document" may also be a trademarked label which is attached to a product or a service, and which signifies their origin and relationship with a specific company. It follows that, if indeed these products or services bearing the forged or falsified trademarks are commercialized with the intention to mislead the public as if they are manufactured by the proprietor or with his permission, then the production of these "documents" not by the proprietor of the trademark (or any person not authorised by the proprietor) as well as the falsification of these "documents" constitutes the act of forgery. Accordingly, the use of these products or services by any third party in the course of the trade for the same purpose as stated above constitutes a separate criminal act or an aggravating circumstance if the use is made by the same person who produced the forged or falsified "documents."

⁹ Article 394 paragraph 1 of the Greek Penal Code introduces a separately punishable criminal act, for any person who willingly conceals, buys, receives as forfeit, or accepts in any way in his possession an item deriving from a criminal act, or transfers the possession of such item to a third person, or contributes in any way to such transfer. For the application of this article, the remuneration received from the sale of such items is also considered an item, and therefore, the true scope of this provision extends to the proceeds of the criminal activity as well.

What acts are criminalized?

Trademarks:

The acts that are criminally punished under Greek trademark law (indicative, not exclusive) are:

- Use of a counterfeit trademark, *i.e.*, by manufacturing, importing, exporting, selling, possessing, exhibiting, advertising and generally trading in counterfeit products. In this context counterfeiting presupposes a “double identity,” *i.e.*, resemblance of the mark and the products/services.
- Use of a confusingly similar mark (*i.e.*, by manufacturing, importing, exporting, selling, possessing, exhibiting, advertising, and generally trading in counterfeit products) with the intention to cause consumer confusion.

We note that the criminal scope of trademark infringement under Greek law, exceeds the acts of counterfeiting or knowingly using a counterfeit product (in its aforementioned context) and covers also the cases of 1) knowingly using a trademark belonging to a third party to commercialize one’s own products or services, 2) creating and using (or knowingly using) a confusingly similar trademark in order to mislead the public, and 3) selling, displaying or making available to the public products or services bearing these counterfeit or confusingly similar trademarks. Because the wording of specific provisions of Greek law, as well as Greek jurisprudence, do not clearly distinguish trademark infringement from counterfeiting (since there isn’t an exact corresponding Greek translation for counterfeiting), it is usually the case, that a criminal investigation will lead to the prosecution of a counterfeiter not only for counterfeiting, but also trademark infringement.

The term “use” of the counterfeit or confusingly similar trademark is particularly broad, encompassing all associated activities regarding the specific products, including stocking, transporting, transferring, disposing, possessing, lending, advertising, and generally making available the specific products or services to the public.

Pursuant to the definition of the term “document” under Article 13 of the Greek Penal Code, a counterfeit product should be perceived as a composite document, comprising the counterfeit trademark and the product’s physical characteristics. In this context, the application of the aforementioned legislation covers the products in whole, including the counterfeit label, notwithstanding the application of other relevant provisions that focus on the product’s characteristics (industrial designs, copyright, etc.).

Facilitation, solicitation and attempt to commit the above acts are also criminalized, within the general framework of the Greek Penal Code, namely in Articles 42 *et seq.*

Copyrights:

The main acts punishable under Greek copyright law (indicative, not exclusive) are:

Production of a fixation of a work or of copies; reproduction of them directly or indirectly, temporarily or permanently in any form, in whole or in part; translation; adaptation, alteration or transformation of a work or copies, distribution to the public by sale or other means; or possession with the intent of distributing, renting, performing in public, broadcasting by radio or television or any other means; communication to the public of works or copies by any means;

import of copies of a work illegally produced abroad without the consent of the author; and in general, any exploitation of works, reproductions or copies being the object of copyright or any act in contravention of the moral right of the author to decide freely on the publication and the presentation of the work to the public without additions or deletions.

In addition to the above, Article 66 of Copyright Law 2121/1993 covers punishable acts against intellectual property rights of performers, producers of sound recordings, producers of audiovisual works, radio and television organizations.

Facilitation, solicitation and an attempt to commit any of the above acts are also criminalized, within the general framework of the Greek Penal Code, namely in Articles 42 *et seq.*

What mental state is required?

Intent is required to prosecute both trademark counterfeiting and copyright piracy. Intent (“δόλος”/“dolos”) is the willingness, knowledge and full intention of the infringer to violate the intellectual property rights of the right holder by committing the above mentioned punishable acts. Per Article 28 of Trademark Law 2239/1994, mere knowledge of a predictable violation and *in abstracto* acceptance thereof (“ενδεχόμενος δόλος”) is, in principle, insufficient to prosecute trademark counterfeiting and piracy.

Negligence and recklessness are not punishable under Trademark Law 2239/1994. However, gross negligence is enough to convict an offender under Articles 216 (use of forged or falsified documents) and 394 paragraph 1 (accepting or making available counterfeit items).

What types and levels of penalties are provided?

The types of penalties are: (a) imprisonment, (b) monetary fine, (c) destruction of the seized counterfeit items, and (d) publication of the criminal decision.

Trademark infringers, including counterfeiters, may face a jail sentence of at least three months up to five years and/or a fine of at least EUR 587 up to EUR 15,000. In addition, per Greek Penal Code on forgery, the infringer (including counterfeiter) may face a jail sentence from a minimum of five to a maximum of ten years if, (1) the illegal activity is carried out habitually and the damage inflicted on the trademark owner or the illegal profit of the infringer amounts to more than EUR 15,000, or (2) the damage inflicted on the trademark owner or the illegal profit of the infringer amount to more than EUR 73,000.

Copyright infringers, including those convicted of piracy, may face a jail sentence of at least one year and/or a fine ranging between EUR 2,900 and EUR 15,000. If the damage inflicted on the copyright owner or the illegal profit of the infringer is substantial, the copyright infringer (including pirates) may face a jail sentence of at least two years and a fine ranging between EUR 5,869 and EUR 29,347. If the infringement is habitual or committed on a commercial scale, the copyright infringer may face a jail sentence of up to ten years and a fine ranging between EUR 14,673 and EUR 58,694.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Criminal prosecution starts with: (a) the filing of a criminal complaint by the right holder; or (b) the *ex officio* prosecution by public authorities (*i.e.*, in copyright infringement cases). However, no *ex officio* prosecution is available in trademark cases, except for national or religious symbols.

Specifically:

STEP 1: A criminal complaint is filed with the police or the competent public prosecutor, which is accompanied by:

- a. proof of ownership of the intellectual property rights in question. (*e.g.*, trademark registration certificates, proof of copyright ownership);
- b. designation of one or more witnesses who will testify before the police and the court on the infringement and the counterfeit character of the products already sold by the infringer;
- c. submission of all and any material evidencing the infringement (samples of the counterfeit products together with the corresponding invoice/receipt etc.);
- d. submission of a special power of attorney from the intellectual property right owner; and
- e. request of the complainant to conduct a police raid at the premises of the infringer for the seizure of counterfeit goods. During this investigating measure, arrests can be made.

STEP 2: The police and/or the public prosecutor examine the criminal complaint and, if the substantive legal requirements are fulfilled, proceed with the raid at the premises of the infringer, according to the relevant request of the complainant.

STEP 3: Upon conclusion of the investigation (seizures and examination of the involved persons), the police forwards the criminal file to the public prosecutor, who, based on the evidence collected during the investigation, will press charges against the infringer. The investigating judge will proceed then with the preliminary investigation of the case, which includes:

- a. the defendant's testimony.
- b. additional testimonies of the complainant's witness(es).
- c. possible memoranda by the complainant on the legal grounds of the case or in reply to defendant's arguments.
- d. drafting of the bill of indictment by the public prosecutor. and
- e. the designation of a hearing date before the criminal court.

STEP 4: After the accomplishment of the previous steps (investigation phase), a court hearing will take place (at first and second instance) and must be attended by the complainant who participates in the proceedings as the civil claimant.

The timing for these criminal proceedings is:

Procedural Steps	Time Frame
Hearing before the criminal court	3-4 years after the filing of the criminal complaint
Issue of the Decision of the Court of First Instance	1-2 years after the designation of the hearing date (taking into consideration possible adjournments of the hearing)
Issue of the Decision of the Court of Appeals	2 years after the issue of the Decision of the Court of First Instance

We note that the initiation of criminal proceedings does not preclude the initiation of civil proceedings (and *vice versa*). In fact, civil proceedings allow right holders to obtain raids, which may take place, either at the initiation of the civil proceedings (and is conducted by the court bailiff in enforcement of a temporary restraining order), or after the issuance of a court decision in which case the court may, among others, order the seizure of all infringing items in the infringer's possession. Moreover, by filing a complaint with the civil courts, the complainant may ask for monetary damages for the actual infringement and for the moral damages suffered by the intellectual property right holder due to the detrimental effects of the commercialization of counterfeit products on its business.

Can they be initiated by right holders? If so, how?

In principle, procedures are (should be) initiated by right holders by filing a criminal complaint with the competent public prosecutor and all evidence establishing the violation of their intellectual property rights. Unlike copyright cases, in trademark law it is right holders alone who are entitled to initiate criminal proceedings by filing a complaint.

Should one prove a link with organized crime? If yes, what are the factors considered?

No. However, if right holders gather adequate information establishing the involvement of a criminal organization, the said information would be very helpful for public authorities to press charges against infringers and seek severe penalties.

Should one prove a risk for health and safety?

No. However, if such a link exists, such evidence would be helpful to obtain destruction of counterfeit products.

What type of collaboration is expected/allowed between prosecutors and right holders?

Right holders are expected to share information available to them, share documentary evidence including witness testimonies as to the nature of the counterfeit and genuine products and the infringers' illegal activity.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

The working relationship between right holders and prosecutors is limited by the usual ethical rules.

Any kind of relation between prosecutors and right holders exceeding the mere exchange of necessary information may be construed as unethical.

HUNGARY

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to intentionally infringe a trademark right.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to intentionally infringe a copyright or a neighboring right.

Under what law)?

Specific sections of the Hungarian Criminal Code provide for criminal sanctions in relation to trademark or copyright infringement.

Trademarks:

Section 296 of the Hungarian Criminal Code. *See* Appendix 10.

Section 329/D of the Hungarian Criminal Code. *See Id.*

Copyrights:

Section 329/A of the Hungarian Criminal Code. *See Id.*

Please note that Hungarian law also punishes plagiarism; compromising or defrauding the integrity of technological measures for the protection of copyrights and certain rights related to copyright; falsifying data related to copyright management.

What acts are criminalized?

Trademarks:

Under Section 296 of the Hungarian Criminal Code, it is a criminal offense to produce goods under the protected trademark, or to acquire or possess such labeled products for the purpose of placing them on the market and distributing the same.

Under Section 329/D of the Hungarian Criminal Code, it is a criminal offense to imitate or to copy a trademark and thereby causing financial injury.

Copyrights:

Under Section 329/A, it is a criminal offense (i) to infringe the copyrights or certain rights related to copyright for the purpose of financial gain or advantage and/or thereby causing financial injury, (these rights relate to all literary, academic, scientific, and artistic works); and (ii) to fail to pay the blank media fee or reproduction fee.

What mental state is required?

Only intentional acts are punishable (negligence is not sufficient). The level of intent (“célzat” or “szándék”) varies. In certain instances, direct intent is required for the establishment of the criminal offence.

What types and levels of penalties are provided?

Trademarks:

Under Section 296 of the Hungarian Criminal Code, imprisonment of up to three years is provided.

Under Section 329/D of the Hungarian Criminal Code: (i) imprisonment of up to two years, community service work or a fine; (ii) imprisonment for up to three years, if the violation of industrial design rights (a) results in a substantial financial injury and (b) is committed in a pattern of business operation; or (iii) imprisonment (a) for up to five years, if the violation of industrial design rights results in particularly considerable financial injury or (b) between two to eight years, if the violation of industrial design rights results in a particularly substantial financial injury.

Criminal fines are calculated based on all elements of the case, including the financial position of the infringer. If no special circumstances apply, the amount of the fine usually falls in between HUF 100,000.00 (*i.e.*, about EUR 375.00) and HUF 500,000.00 (*i.e.*, about EUR 1,870).

Copyrights:

Under Section 329/A of the Hungarian Criminal Code: (i) imprisonment of up to two years, community service work or a fine; (ii) imprisonment for up to three years, if the infringement of copyright or certain rights related to copyright (a) results in a substantial financial injury and (b) is committed as part of a business operation; or (iii) imprisonment (a) for up to five years, if the infringement of copyright or certain rights related to copyright results in a particularly considerable financial injury or (b) between two to eight years, if the infringement of copyrights or certain rights related to copyrights results in a particularly substantial financial injury.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Can they be initiated by right holders? If so, how?

Yes, by reporting it to the police or to a customs authority in case of customs surveillance.

Should one prove a link with organized crime? If yes, what are the factors considered?

No.

Should one prove a risk for health and safety?

No.

What type of collaboration is expected/allowed between prosecutors and right holders?

The following collaboration may be expected: (i) reporting to the authority; (ii) helping in identifying counterfeit goods; (iii) providing leads; (iv) helping finding experts; and/or (v) helping in calculating the amount of damages caused by the counterfeit.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

None raised so far.

IRELAND

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided one acts with a view to gain for himself or another, or with intent to cause a loss to another.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided that one knew or had reason to believe that an infringement occurred or that the copy they are dealing with is an infringing copy.

Under what law?

Trademarks:

Section 92 of the Trade Mark Act, 1996. *See* Appendix 11.

Copyrights:

Sections 140, 371, 376, 143 and 258 of the Copyright and Related Rights Act 2000. *See Id.*

What acts are criminalized?

Trademarks:

The specified acts, in relation to trademark counterfeiting, are the selling, hiring, offering, exposing for sale or hire or distributing goods bearing a registered trademark or a mark identical to or nearly resembling a registered trademark where the person doing such acts has no entitlement to use such mark in relation to the goods in question or there is no authorization by a person who is so entitled.

Also caught is the use of material bearing such a mark in the course of a business for labeling, packaging or advertising the goods. It is also prohibited to possess in the course of business, goods or materials with the plan to carry out any of the above acts or in order to assist a third party knowing or having reason to believe that the third party has no entitlement to use the mark.

There is no provision for criminal liability in respect of the unauthorized use of a trademark in relation to services.

Copyrights:

There are a number of specified acts under Section 140 of the Copyright and Related Rights Act 2000, which give rise to offences.

The first offence is committed in relation to the manufacture, importation or distribution of infringing copies. The second offence is the related offence that arises from infringement of the “making available” right. The third offence relates to the manufacture, sale or rental or loan, importation into the State or possession of a protection defeating device. There are some other offences, such as that under Section 140(4)(b), enabling convictions against a service provider who assists a person to receive an encrypted broadcast by either providing information or

rendering a service and that offence under Section 371 for the unlawful reception of a rights protected broadcast or cable program. There is also the offence under Section 376 relating to the removal or alteration of rights management information on works, recordings of performances or databases and their subsequent distribution in changed form. It is also an offence to claim to enjoy a copyright for financial gain, when he or she knows or has reason to believe that the claim is false. A similar position exists in relation to performances, but not in relation to database rights. The Act of 2000 also makes provision for criminal liability for collecting societies that are not registered when so required by the Act.

There is a further offence under section 258 of the 2000 Act. It states that it is an offence for a person to make, sell, import, or make available a recording or an article to be used to make illicit recordings.

What mental state is required?

An offence in relation to trademark law only arises if a person acts with a view to gain for himself or another, or with intent to cause a loss to another.

Generally, the test of intent under copyright law requires that the infringer either knew or had reason to believe that an infringement occurred or that the copy they are selling/lending or distributing is an infringing copy of the work.

Similarly, in relation to protection defeating devices, the infringer must either know or have reason to believe that the device has been or is to be used to circumvent rights protection measures. Those aiding or assisting a person to receive an encrypted broadcast must do so to assist a person to circumvent rights protection measures.

What types and levels of penalties are provided?

Trademarks:

On summary conviction of a trademark offence, the penalty is to a term of imprisonment not exceeding six months or a fine not exceeding EUR 1,270 or both. On indictment, the penalty is a term of imprisonment not exceeding five years or a fine not exceeding EUR 127,000 or both.

Copyrights:

On summary conviction of a copyright offence, the infringer is liable for a fine of up to EUR 1,875 for each copy or offence, as the case may be, or imprisonment for up to 12 months or both. On indictment, the penalty is a fine of up to EUR 125,000 or a term of imprisonment of up to five years or both.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Alert the local law enforcement called “An Garda Síochána” (or “Gardai”).

Can they be initiated by right holders, if so, how?

By law, except in very exceptional cases, all criminal matters are attended to by “An Garda Síochána” and as such no individual has the power to initiate such actions. However, most such

matters are initiated by right holders alerting the Gardaí when they have encountered counterfeiting.

Section 143 of the Copyright and Related Rights Act 2000 enables an application to be made to the District Court (court of lowest jurisdiction) to obtain a warrant authorizing a member of “An Garda Síochána” to enter any premises or place where an offence is believed, on reasonable grounds, to have been committed or is about to be committed and gather evidence. It is possible for right holders to accompany the Gardaí on such raids.

As can be seen, the Gardaí may seize infringing works, articles and devices. The delivery up to the District Court of these items is required in contemplation of the bringing of criminal procedures against the infringer. Offences of obstruction or refusal to provide information are also prescribed. Similar delivery up powers exist in relation to persons upon conviction, arrest and charge, who are in possession of infringing items. The infringing goods can be delivered up to the right holder who will be directed by the court as to the disposal of the goods. There is a six year limitation period in respect of these proceedings.

It should be noted that once criminal proceedings are instituted they will be controlled by the Gardaí with the only involvement by the right holder being acting as witness or giving such other assistance to the Gardaí as required. Decisions as to whether to commence/continue criminal proceedings are for the Gardaí/Director of Public Prosecutions.

Should one prove a link with organized crime? If yes, what are the factors considered?

No. While no link to organized crime is required, it may be of some assistance to right holders if, indeed, the infringer is involved in organized crime. The Gardaí in such an instance may be more willing to act quickly.

Should one prove a risk for Health and Safety?

No.

What type of collaboration is expected/allowed between prosecutors and right holders?

As mentioned above, all matters of a criminal nature are taken by “An Garda Síochána” on behalf of the State and, subsequently, prosecuted by the Director of Public Prosecutions (DPP). There is no formal mechanism for collaboration between right holders and prosecutors, however, the Gardaí usually welcome any help in its search. (*See* reference to Section 143 of the Copyright and Related Rights Act 2000 at 7 above).

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

There are no rules. “An Garda Síochána” act alone. However, as can be seen from Section 143 of the Act of 2000, right holders are allowed to accompany “An Garda Síochána” in certain circumstances.

ITALY

Is trademark counterfeiting a crime in your jurisdiction?

Yes, it is a criminal act to intentionally infringe a trademark right.

Is copyright piracy a crime in your jurisdiction?

Yes, acts of piracy qualify as criminal offenses, provided they are committed with intent.

Under what law?

Trademarks:

Articles 473, 474, 474 *bis*, 474 *ter*, 474 *quater*, 441, 442, 517, 517 *ter*, and 648 of the Criminal Code. *See* Appendix 12.

Copyrights:

Articles 171 *bis*, 171 *ter*, 64 *quinques*, 64 *sexies*, 102 *bis* and 102 *ter* of the Act N° 633 of 22 April 1941. *See Id.*

What acts are criminalized?

Trademarks:

Article 473 of the Criminal Code qualifies as a criminal offence the act of counterfeiting, alteration or use of trademarks or distinctive signs or patents or industrial designs. Article 474 covers importation into the country and trade of products bearing fake signs; Article 474 *bis* deals with seizure; Article 474 *ter* covers various aggravating circumstances and Article 474 *quater* includes possible attenuating circumstances; Article 441 of the Criminal Code covers the modification or counterfeiting of other goods; Article 442 deals with trade of counterfeit or modified alimentary substances; Article 517 covers the sale of industrial products with misleading signs; Article 517 *ter* covers the manufacturing and sale of products realized usurping titles of industrial property, while finally Article 648 of the Criminal Code deals with receipt of stolen property.

Copyrights:

The relevant provisions of Act N° 633 of 22 April 1941 criminalize acts such as: unauthorized duplications, reproductions, manufacturing, sale, importation, possession, transmission by any means, removal of technological measure, downloading, and rental of copyrighted materials.

What mental state is required?

It depends. While most of the Intellectual Property related offenses - like the one included in Article 474 of the Criminal code - require “general intent” (“*dolo generico*”) (which means that the perpetrator acted “consciously and willfully” (“*coscienza e volontà*”), other felonies - like the one included in Article 648 of the Criminal code - require “specific intent” (“*dolo specifico*”) (which means that the perpetrator acted not only “consciously and willfully,” but as well with a specific intent of gaining a profit arising from his/her criminal action).

What types and levels of penalties are provided?

Trademarks:

Article 473 of the Criminal Code on counterfeiting, alteration or use of trademarks or distinctive signs or patents or industrial designs provides for possible imprisonment from six months up to three years and a fine from EUR 2,500 up to EUR 25,000 or imprisonment from one year up to four years and a fine from EUR 3,500 up to EUR 35,000.

Article 474 of the Criminal Code on importation into the Country and trade of products bearing fake signs provides for possible imprisonment from one year up to four years and a fine from EUR 3,500 up to EUR 35,000 or imprisonment of up to two years and a fine of up to EUR 20,000.

Article 474 *ter* of the Criminal Code on aggravating circumstances provides for imprisonment and a fine of EUR 5,000 up to EUR 50,000 or imprisonment of up to three years and a fine of up to EUR 30,000.

Article 474 *quater* of the Criminal Code on attenuating circumstances sets out that the penalties provided for by articles 473 and 474 are lowered to half up to two thirds in case the defendant actively and concretely collaborates with the police or judicial authorities in the actions against the crimes under articles 473 and 474, as well as with the gathering of evidence that is decisive to reconstruct the facts and for the identification and capture of accomplices or the identification of the means necessary for the crimes having been committed or of the profit generated by the same.

Article 441 of the Criminal Code on modification or counterfeiting of other goods includes possible imprisonment from one to five years and a fine of not less than EUR 309.

Article 442 of the Criminal Code on trade of counterfeit or modified alimentary substances includes the same level of punishments respectively set forth in those previous articles.

Article 517 of the Criminal Code on the sale of industrial products with misleading signs provides for possible imprisonment of up to two years or a fine of up to EUR 1,032.

Article 517 *ter* of the Criminal Code on the manufacturing and sale of products realized usurping titles of industrial property provides for the possible imprisonment of up to two years and a fine of up to EUR 20,000.

Article 648 of the Criminal Code on the receipt of stolen property provides for possible imprisonment between two and eight years and a fine between EUR 516 and EUR 10,329.

Copyrights:

Article 171 *bis* of the Act N° 633 of 22 April 1941 in relation to the protection of software, punishes whoever illicitly duplicates, for gaining a profit, computer programs or to the same aim imports, distributes, sells, holds for commercial purpose or leases computer programs contained in supports not marked from the Italian Authors and Publishers Association (SIAE). These acts are sanctioned with imprisonment from six months up to three years and a fine from EUR 2,582 to EUR 15,493. The same penalty is applied if the act concerns any means to concur or facilitate the removal or the by-passing of devices applied to the protection of a computer program. The

penalty is not less than two years of imprisonment and a fine of EUR 15,493 if the criminal act is of important gravity.

Pursuant to the same statutory provision, anyone, to the aim of gaining a profit, on unmarked SIAE supports, reproduces, transfers on other support, distributes, communicates, introduces or demonstrates in public the content of a database in violation of the provisions of Articles 64 *quinques* and 64 *sexies* of the same law, or performs the download or the reuse of a database in violation of the provisions of Articles 102 *bis* and 102 *ter* of the same law, or distributes, sells or leases a database. These acts can be sanctioned with imprisonment for a period from six months to three years and a fine from EUR 2,582 to EUR 15,493. The penalty is not less than two years of imprisonment and a fine of EUR 15,493 if the criminal act is of important gravity.

The subsequent provision of Article 171 *ter*, on protection of copyright other than software, punishes:

- 1) With imprisonment from six months up to three years and with a fine of EUR 2,582 up to EUR 15,493 whoever, for a use other than personal use:
 - a) Illicitly duplicates, reproduces, transmits or publicly divulge by any means, in its entirety or partially, a work of art deemed for transmission on television, for cinematographic circuit, for sale or rent , discs, tapes or other similar supports containing audio or video content of musical, cinematographic or audiovisual works or sequences of images in motion;
 - b) Illicitly reproduces, transmits or publicly divulges, with any procedure, literary, dramatic, scientific or didactic, musical or dramatic-musical or multimedia works or their parts, even when included in collective or composite works or databanks;
 - c) Even not having participated to the duplication or reproduction, introduces in the territory of the State, holds for sale or distribution, distributes, trades, rents or anyhow conveys it at any title, projects in public, transmits on television by any means, transmits via radio, divulges in public those illicit duplications or reproductions under the letters a) and b);
 - d) Holds for sale or distribution, trades, sells, rents, conveys at any title, projects in public, transmits by way of radio or television with any procedure, videotapes, music-tapes, any containing audio or video support of musical, cinematographic or audiovisual works or sequences of images in motion, or other support for which is required, according to the same law, the labeling of the SIAE mark;
 - e) Without consent from the authorized distributor, re-transmits or divulges by any means an encrypted service received by using devices or parts of devices aimed at decoding of transmissions, whose access is conditioned;
 - f) Introduces in the territory of the State, holds for sale or distribution, distributes, sells, rents, conveys at any title, promotes commercially, installs devices or elements of special decoding that allow the access to encrypted services without the payment of the due fee;

- f *bis*) Manufactures, imports, distributes, sells, rents, conveys at any title, advertises for sale or renting, holds for commercial purposes, equipments, products or components, or offers services that have the main or the commercial purpose of by-passing those effective technological measures that Article 102 *quarter* sets forth, or that are mainly programmed, manufactured, adapted or realized with the purpose of rendering possible or facilitating the by-passing of the fore-told measures. Among the technological measures concerned, are those applied, or that remain, as a result of the removal of the same measures following the voluntary initiative of the right holders or agreements between the right holders and the beneficiaries of exceptions, or as a result of enforcement of decisions by the administrative or jurisdictional authority;
- h) Illicitly removes or alters the electronic information that article 102 *quinques* provides for, or distributes, imports for the purpose of distributing, divulges through radio or television, communicates or renders available to the public the works or other protected materials from which the same electronic information have been removed or altered.
- 2) With imprisonment from one up to four years and with a fine from EUR 15,493 to EUR 2,582 whoever:
- a) Reproduces, duplicates illicitly, transmits or divulges, sells or places otherwise in commerce, conveys at any title or illicitly imports more than fifty items or copies of works protected by copyright or other related rights;
- a *bis*) In violation of the provision of Article 16, for gaining a profit, communicates to the public a work protected by copyright or other related right by divulging it via systems of transmission of digital data nets, by means of any kind of connections;
- b) Becomes guilty of the facts that the above paragraph provides for, by exercising a business activity of reproduction, distribution, sale or commercialization, importation of works protected by copyright or other related rights;
- c) Promotes or organizes the illicit activities that the above paragraph sets forth.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

The public prosecutor, as well as the police and customs anti-fraud officers shall begin investigative criminal proceedings *ex officio* if they have a reasonable suspicion that a criminal activity is afoot, or upon the filing of a motion, if the claimant provides them with sufficient circumstantial evidence to deem that a crime occurred, is occurring or is about to occur.

Generally, if sufficient technical evidence has been presented to the police or the customs officers, they shall consider the importation of counterfeit goods as a criminal offence; therefore they will proceed, in accordance with Article 354 of the Criminal Procedural Code with the seizure of goods and the filing of a report with the local prosecutor office.

The prosecutor will have 48 hours to validate or not the seizure, and her/his judgment will be based upon the showing of evidence. If she/he validates the seizure, the prosecutor has to open

investigative criminal proceedings, which may end in a criminal trial as a result. Since the seizure process regulated by Article 354 of the Criminal Procedural Code is of a probative nature, the prosecutor may always set the seizure aside during the investigative criminal proceedings, if she/he believes that there is not enough evidence about the criminal offence. During the investigative criminal proceedings, the seizure over the allegedly infringing goods may always be set aside by the *Tribunale del Riesame*, on motion by the defendant.

Can they be initiated by right holders? If so, how?

Yes, upon motion to either the public prosecutor, the police or the custom officers as explained above.

Should one prove a link with organized crime? If yes, what are the factors considered?

No, it is not necessary, although if some evidence of a link to organized crime is offered, the public prosecutor might get more incisive investigative powers to pursue the offence.

Should one prove a risk for health and safety?

Not necessarily, although this claim may sometimes be used as a device by right holder in order to strengthen their cases against counterfeiters, since when the risk for health and safety is alleged, the State has a strongest interest to pursue the offense.

What type of collaboration is expected/allowed between prosecutors and right holders?

The activity of private investigators coordinated and directed by the lawyers of the right holders is generally deemed useful and ancillary to the activity of prosecutors. In general terms, it should be noted that the prosecutors and judges tend to consider counterfeiting as a minor offence, unless there is a risk to public health and safety involved and a substantive number of investigative proceedings do not reach the trial stage for lack of adequate investigations by the authorities. Therefore often a collateral activity to support their action is needed and welcome.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

The provisions of act n° 397 of 7 December 2000 outline and set forth the rights and limitations to investigate and collect evidence by those that the law considers “persons offended by a felony”, among which category belongs the right holder’s offended by a counterfeiting crime.

LATVIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Intentional infringement of a trademark may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. Intentional infringement of copyrighted materials may constitute a criminal offense.

Under what law?

Criminal prosecution for trademark counterfeiting and piracy is provided by the Criminal Code. The Administrative Violations Code also provides for liability for both trademark counterfeiting and copyright piracy (but not for criminal liability).

Trademarks:

- Article 206 of the Criminal Code concerns unauthorized use of a trademark, as well as other distinguishing marks and designs;
- Article 166¹⁴ of the Administrative Violations Code defines the selling or offering of counterfeit goods;
- Article 166¹⁷ of the Administrative Violations Code pertains to violations of the provisions of the use of a trademark or service mark; and
- Article 201¹⁰ of the Administrative Violations Code concerns application of a Customs regime to counterfeit goods.

Copyrights:

- Article 148 of the Criminal Code covers infringement of copyrights and neighboring rights;
- Article 149 of the Criminal Code pertains to unlawful acts with objects of copyright and neighboring marks;
- Article 155⁸ of the Administrative Violations Code outlines illegal activities with objects of copyright and neighboring rights;

What acts are criminalized?

Trademarks:

Illegal use of a trademark, service mark or other distinguishing mark may be criminalized; including possession (with commercial purpose), manufacture, stocking, transporting, transferring, transshipping, or otherwise disposing of counterfeit goods; importing, exporting and selling counterfeit goods.

Conspiracy, facilitation, solicitation and attempt to commit any of the above acts are also criminalized.

Copyrights:

The following acts are criminalized:

- Infringing copyright and neighboring rights (infringement of author's right to use his work);
- appropriating authorship or copyright;
- compelling joint authorship;
- compelling rejection of authorship;
- acquiring objects of copyright or neighboring rights for sale, storage or hiding, if they are published, reproduced or used in any other way;
- unlawful selling of objects of copyright or neighboring rights;
- manufacturing, importing, exporting and selling pirated copyright goods

Conspiracy, facilitation, solicitation and attempt to commit any of the above acts are also criminalized.

What mental state is required?

Intent ("nodoms") is required for crimes described in the Criminal Code; in all cases, there needs to be the intent for committing a crime, *i.e.*, a person has to anticipate the consequences and desire them. Under Administrative Violations Code, intent is not required, but could be an aggravating factor.

What types and levels of penalties are provided?

Types of penalties are divided into two groups: a) penalties that provide deprivation of liberty for a guilty person; and b) penalties that provide economic sanctions. In addition to the basic sentence, additional sentences may be adjudged.

For both criminal offenses discussed above, the following penalties are provided:

- fine of an amount not less than one minimal wage, and not exceeding two hundred times the minimum monthly wage (currently minimum monthly wage is LVL 180 or EUR 256). Fines may be imposed for both criminal offences and administrative violations
- community service (duration is limited to a term of not less than 40 hours and not exceeding 280 hours)
- custodial arrest (determined for a term of no less than three days and not exceeding six months)

- imprisonment not exceeding five years

Under the Administrative Violations Code only fines may be imposed (but not community service or arrest).

In addition to the penalties mentioned above, confiscation of fake or pirated products may be ordered.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Criminal proceedings are started when right holders or their representatives file a complaint. Police officers or prosecutors are obliged to consider the complaint. Prosecution could also launch proceedings *ex officio* or at the initiative of other state authorities (*e.g.*, customs or state revenue service). A judge reviews the complaint in all cases. A decision in a case has to be rendered within four months (if the Administrative Violations Code is applied) or within six to nine months (if the Criminal Code is applied). If the accused does not appeal a decision, a hearing is not necessary. For concurrent civil claims, we note that a complaint must be filed within three years of the infringement being discovered.

Can they be initiated by right holders? If so, how?

Proceedings may be initiated by any interested person – right holders, authorized persons, licensees, etc., by submitting a corresponding application to the economic police office or prosecutor’s office.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No. It could however, be considered an aggravating circumstance.

What type of collaboration is expected/allowed between prosecutors and right holders?

Of course, any kind of active cooperation offered by right holders is welcomed by police.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

Any collaboration with state officials must comply with anti-corruption rules. Any kind of influence on prosecutors is strictly prohibited.

LITHUANIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. The intentional infringement of one's trademark may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. The intentional infringement of one copyright may constitute a criminal offense.

Under what law?

Trademarks:

Articles 204 of the Criminal Code of Lithuania. *See* Appendix 14.

Copyrights:

Articles 191 and 192 of the Criminal Code of Lithuania. *See Id.*

What acts are criminalized?

Trademarks:

The following acts are criminalized: marking, offering for sale, or use of the goods marked with the borrowed trademark. According to Article 204 of the Criminal Code of Lithuania, these are the three acts that pertain to counterfeiting. However, these acts are treated quite expansively in practice and cover many other acts, such as transporting, possessing (regardless of the commercial purpose), presenting for handling, or storing goods marked with the borrowed trademark. Manufacturing, importing, exporting, stocking, selling and/or disposing of counterfeit goods also constitute criminal offenses.

According to the Criminal Code of Lithuania, conspiracy, facilitation, solicitation and attempt are aggravating circumstances that affect liability.

Copyrights:

The following acts are criminalized: publication; communication to the public of the borrowed literary, scientific or artistic work (including computer programs and databases) or part of it in one's own name; coercion (by taking advantage of official position or by resorting to mental coercion) of author of literary, scientific or artistic work (including computer programs and databases) or part of it to recognize other person as a co-author or successor in title or to renounce the right of authorship; illegal reproduction of literary, scientific or artistic work (including computer programs and databases) or object of related rights or part of it, or the import, export, distribution; transportation; possession of illegal copies of literary, scientific or artistic work (including computer programs and databases) or object of related rights or part of it; plus the illegal transportation of the infringed goods through Lithuanian border. As mentioned before, Lithuanian laws regarding counterfeiting or piracy are treated quite expansively in practice, therefore, manufacturing, selling, importing, and/or exporting pirated copyright goods constitute also criminal offenses.

What mental state is required?

According to the Criminal Code of the Republic of Lithuania, criminal prosecution of counterfeiting and piracy requires a showing of intent (“tyčia”). Intent means knowledge of the fact that, for example, the trademark or copyright belongs to another natural or legal person. We note that there is no need to prove the purpose (“tikslai”) (commercial or other). Negligence (“neatsargumas”) is not sufficient to prosecute any of the above acts.

What types and levels of penalties are provided?

For both trademark counterfeiting and copyright piracy, if the value of the goods does not exceed specified quantities, or damages are small, administrative proceedings may be more appropriate. The law otherwise provides for the following criminal penalties.

Trademarks:

If counterfeiting activities caused more than EUR 5,648 in damages the penalties are:

- prohibition to work a particular job or engage in a particular activity
- public works
- fine up to EUR 3,765
- confinement (10-90 days)
- imprisonment for up to two years

If the counterfeiting activities cause damage of less than EUR 5,648 in damages the penalties are:

- prohibition from working particular jobs or engaging in a particular activity
- public works
- fines of up to EUR 1,883
- confinement (10-90 days)

Copyrights:

- maximum fines of EUR 3,765 and EUR 5,648
- public works
- confinement (10-90 days)
- arrest
- imprisonment for up to two or three years. Three years if compulsion or an official is involved.

Administrative penalties, except for confiscation of the infringed goods, may be issued concurrently. Administrative penalties are those that are applied for violations of the Administrative Code of the Republic of Lithuania which also provide for liability for breach of intellectual property owner rights. Administrative penalties are not criminal in nature.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Can they be initiated by right holders? If so, how?

For both trademark counterfeiting and copyright piracy, police or prosecutors may start criminal proceedings *ex officio* or at the right holder's request. It should be noted that copyright owners may ask the Agency of Lithuanian Copyright Protection Association (LATGA-A) to represent them before courts and other state institutions. Prosecution is conducted by a prosecuting magistrate or the public prosecutor's office.

The request for investigation shall be submitted in writing. Documents confirming facts shall be attached to the application. After the investigation is completed, the case may be transferred to the court.

Should one prove a link with organized crime? If yes, what are the factors considered?

No. According to Lithuanian law, it is not compulsory to prove a link with organized crime. However, harsher punishments are applied for organized crime/piracy cases than privately committed violations. According to the Lithuanian Criminal Code, complicity in crime is an aggravating factor.

Should one prove a risk for health and safety?

No. However, it could be one of the factors the court considers when choosing the kind of penalty.

What type of collaboration is expected/allowed between prosecutors and right holders?

There are no provisions in Lithuanian law that regulate specific interaction between prosecutors and right holders. However, prosecutors rely on right holders to provide all necessary documents and information. Therefore, right holders provide valuable assistance in criminal and administrative proceedings.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

There are only general limitations whereby right holders must not disturb investigation or lobby officers.

There are codes of conduct for customs officers and for police officers. These codes establish the rules whereby the officers must act impartially, honestly and competently, avoid conflict of interest, refrain from using official positions for personal gains etc. However, these codes of conduct are advisory in nature.

LUXEMBOURG

Is trademark counterfeiting a crime in your jurisdiction?

No. The infringement of a trademark will, in itself, not qualify as a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided such infringement occurs with fraudulent or harmful intent.

Under what law?

Trademarks:

Not applicable.

Copyrights:

The Luxembourg Act of 18 April 2001 on copyright, neighboring rights and databases, as amended (“Luxembourg Copyright Act”). See Appendix 15.

What acts are criminalized?

Trademarks:

Not applicable.

Copyrights:

The Luxembourg Copyright Act states that any fraudulent or harmful infringement of one’s copyright qualifies as a criminal offence (“*délit de contrefaçon*”).

Any person knowingly selling, offering for sale, importing, exporting, fixing, reproducing, communicating, transmitting via wire or wireless, making available to the public and generally putting or putting again into circulation, for remuneration or free of charge, a work, a performance or a database without the consent of the author, the owner of the neighboring rights or the producer of the database is also guilty of the same offence.

What mental state is required?

Depending on the infringing act, the Luxembourg Copyright Act requires “fraudulent or harmful” intent (“*méchante*” or “*frauduleuse*”) or a “knowing” infringement. According to certain case law, such intent is presumed in cases of copyright infringement.

What types and levels of penalties are provided?

Depending on the specific circumstances, the Luxembourg Copyright Act provides for the following possible sanctions: (i) imprisonment from 3 months up to 2 years; (ii) fines between EUR 250 and EUR 500,000 (approximately); (iii) confiscation of the pirated goods and any board, mould, template or other article having directly served to commit the infringement, without any regard to ownership, as well as the confiscation of any copying, scanning or network

injection material; (iv) destruction of the confiscated goods; (v) temporary or definite closing down of the establishment operated by the convicted person; and/or (vi) publication and display of the judgment.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

In general, the Luxembourg Code of Criminal Procedure applies in terms of bringing copyright infringers before the criminal courts. Provided the infringed trademark may (also) benefit from protection under the Luxembourg Copyright Act, trademark owners (in their capacity as copyright owners) may call upon this legislation to bring trademark infringers before the criminal courts.

Can they be initiated by right holders? If so, how?

Public prosecution proceedings may be instituted against the alleged perpetrator of an offence by the lodging of a complaint by right holders with the public prosecutor or, if the complaint is accompanied by a claim for damages ("*constitution de partie civile*"), with the investigating magistrate ("*juge d'instruction*").

Should one prove a link with organized crime? If yes, what are the factors considered?

No, although the prosecutor's office might possibly be more likely to engage in investigating copyright offenders when there is such a link.

Should one prove a risk for health and safety?

No, although again, possible health and safety hazards may bring the prosecutor's office to give more priority in investigating related piracy matters and bringing it to the criminal courts.

What type of collaboration is expected/allowed between prosecutors and right holders?

Copyright owners are expected to disclose all information known to them to the prosecutor or the investigating magistrate in charge of the case.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

There are no such limits relating specifically to copyright infringement.

MALTA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided it is committed with intent.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyrights or a neighboring right, provided it is committed with intent.

Under what law?

Both trademark and copyright offences are dealt with in Articles 298 and 298B of the Criminal Code. In addition, trademark offences are dealt with in Article 72 of the Trademarks Act. *See* Appendix 16.

Article 298 of the Criminal Code (Chapter 9 of the Laws of Malta) deals with Commercial or Industrial Fraud, which also includes trademark counterfeiting. Article 298B of the Criminal Code deals with copyright violations. *See Id.*

Under the Trademarks Act (Chapter 416 of the Laws of Malta), Article 72 criminalizes the unauthorized use of registered trademarks. *See Id.*

The Intellectual Property Rights (Cross-Border Measures) Act (Chapter 414 of the Laws of Malta) establishes as an offence the importation of any goods infringing intellectual property rights. *See Id.*

What acts are criminalized?

Trademarks:

Under the Criminal Code, the following acts qualify as criminal offenses: the forging or alteration, without the consent of the owner, of the name, mark or any other distinctive device of any intellectual work, or knowingly making use of any such name, mark or device forged or altered, without the consent of the owner, as well as the putting into circulation, the sale or the keeping for sale or the importation for any purpose of trade, any goods bearing a fraudulent imitation of any mark, device or emblem.

Such offences are prosecuted *ex officio* by the Executive Police without there being a need for any complaint filed by the injured party.

Copyrights:

Manufacturing, duplicating or otherwise reproducing or coping, or selling, distributing or otherwise offering for sale or distribution copyrighted materials.

What mental state is required?

Trademarks:

Mens Rea is required. Article 298 of the Criminal Code requires the forging or alteration or knowingly making use of any such forged or altered name, mark or device without the consent of the owner.

Article 72 of the Trademarks Act provides: “Any person who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor.”

It is a defense for a person charged with an offence against this article to show that he believed on reasonable grounds that the use of the sign in the manner in which it was used, or was to be used, was not an infringement of the registered trademark.

Copyrights:

Mens Rea is required, i.e., knowledge of violating the rights of the copyright owner.

What types and levels of penalties are provided?

Trademarks:

Article 298 of the Criminal Code (commercial and industrial fraud which would cover trademark counterfeiting) provides for imprisonment for a term from four months to one year.

Article 72 of the Trademarks Act on unauthorized use of trademarks, etc., in relation to goods provides for imprisonment not exceeding three years or a fine not exceeding EUR 23,293.73 or both.

Article 84 of the Trademarks Act on persons falsely representing themselves as a registered trademark agent provides for a fine of not more than EUR 1,164.69.

Copyrights:

Article 298B of the Criminal Code on the violation of copyrights, provides for imprisonment for a term not exceeding one year or a fine not exceeding EUR 11,646.87.

Article 308 of the Criminal Court on obtaining money or property by false pretences, provides for imprisonment for a term from seven months to up to two years.

For Trademarks and Copyrights:

Article 11 of the Intellectual Property Rights (Cross-Border Measures) Act on importation of goods infringing intellectual property rights provides for a fine equal to double the value of the infringing goods.

Article 308 of the Criminal Court on obtaining money or property by false pretences, provides for imprisonment for a term from seven months to up to two years.

Article 310 of the Criminal Code provides for aggravating circumstances with respect to offences dealt with in subtitle III of Title IX dealing with crimes against property and public safety. Article 310 provides for the following penalties if the damage caused exceeds:

- (i) EUR 2,329.37 – imprisonment from thirteen months to seven years;
- (ii) EUR 232.94 but not EUR 2,329.37 – imprisonment from five months to three years;
- (iii) EUR 23.29 – imprisonment for a term not exceeding three months;
- (iv) EUR 11.65 – imprisonment not exceeding twenty days or fine or punishment established;
- (v) Note that (iii) and (iv) do not apply to Article 298 of the Criminal Code.

None of the other Acts provide for aggravating circumstances.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Either one files a report or a complaint with the Executive Police (Economic Crime Division) to investigate the counterfeiters/pirates in question. The investigation may, where provided by law, be initiated *ex officio* by the Executive Police. Once the Police have enough evidence that there is in fact a violation of the law, they will prosecute. It will bring the infringer before the Court of Magistrates where the case, with the consent of the infringer, is heard summarily. Evidence will be brought by both parties, including the injured party/right holder who would have filed the complaint. Once both parties will have brought in all of their evidence, there will be a session were oral submissions by the prosecutor and the defense will be filed with the Court and after that the case will be postponed for judgment.

Can they be initiated by right holders? If so, how?

Most offences are considered prosecutable *ex officio* by the Executive Police unless otherwise provided for by law. Still in most cases the right holder or the injured party initiates the investigation in the first place by filing a complaint with the Executive Police (Economic Crime Division).

Should one prove a link with organized crime? If yes, what are the factors considered?

No. The presence of a criminal organization will also not be considered an aggravating circumstance because the Criminal Code establishes it as a separate offence.

Should one prove a risk for health and safety?

No

What type of collaboration is expected/allowed between prosecutors and right holders?

Collaboration between the authorities and right holders can take the form of: (i) supply of intelligence; (ii) training and cooperation in general and (iii) conduct of legal proceedings.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

There are no limits on legal collaboration. There is a general duty to help out in the investigation of criminal offences.

Additionally, right holders may be independently represented by counsel of their choice during the course of criminal proceedings against the infringer(s) in the Court of Magistrates. Such intervention, which is known as, “in parte civile” would, therefore, grant the right holder direct access to the proceedings, independently from and over and above, the course of action taken by the Executive Police conducting the prosecution.

THE NETHERLANDS

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided such infringement occurs deliberately.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe copyright, provided such infringement occurs deliberately or as an act of negligence (*i.e.* the infringer has reasonable grounds to know).

Under what law?

Trademarks:

Article 337 of the Criminal Code of 3 March 1881 (“Dutch Criminal Code”). Article 23(3), (4) and (7) of the Dutch Criminal Code. *See* Appendix 17.

Copyrights:

Articles 31, 31A, 31B, 32 and 33 of the Dutch Copyright Act of 23 September 1912. Article 23(3) and (4) and (7) of the Dutch Criminal Code. *See Id.*

What acts are criminalized?

Trademarks:

Intentionally importing, transiting or exporting, selling, offering for sale, delivering, distributing or having in stock, (a) false, falsified or unlawfully made trademarks, (b) goods, which are furnished with trade names or false trademarks belonging to someone else, (c) goods, which are, as an indication of origin, furnished with a false place of origin, (d) goods, on which the trademark of another brand or a trademark belonging to someone else is imitated or (e) (parts of) goods which have the same appearance as a drawing or a design belonging to someone else, or only bear minor differences (Article 337 Dutch Criminal Code).

Copyrights:

Communicating to the public (Article 12 Dutch Copyright Act), reproducing (Article 13 Dutch Copyright Act), offering for distribution, possessing items for the purpose of reproduction or distribution, importing, exporting, transiting or keeping for profit when it is known or it should be known that the items infringe copyright.

What mental state is required?

Trademarks:

Article 337 of the Dutch Criminal Code requires “*dolus*” or “intention” as a mental state (“*opzet*”). The minimum pre-requisite for “intention” is the so-called “conditional intention,” which implies that people have knowingly and willfully exposed themselves to a significant chance that there is an act as referred to in Article 337 of the Dutch Criminal Code.

Copyrights:

It is required that the person had the intention to infringe a copyright or that the person should have known that the products infringe a copyright. More specifically, Articles 31, 31A and 31B require an “intentional” infringement. This is in contrary to Article 32, which requires a “*culpable*” infringement. This means that there are reasonable grounds for the infringer to know that the products infringe a copyright.

What types and levels of penalties are provided?

Trademarks:

For trademark offences, an offender is liable to a term of imprisonment of not more than one year or a fine of up to EUR 74,000 (Article 337(1) Dutch Criminal Code), if he intentionally imports, transits or exports, sells, offers for sale, delivers, distributes or has in stock, goods which infringe trademarks. In case a guilty person commits the above acts as his profession or business, he will be sentenced to a term of imprisonment of not more than four years or a fine of up to EUR 74,000 (Article 337(3) Dutch Criminal Code). If the above acts cause danger for persons or goods (for example in the case of counterfeit medicines) the imprisonment can be up to four years or the fine can amount to up to EUR 74,000 (Article 337(4) Dutch Criminal Code). Under Dutch criminal law, a person who owns goods, parts of goods or trademarks for private usage, is not liable to a punishment (Article 337(2) Dutch Criminal Code).

If the above acts are committed by a legal person, and, if the respective penalty category does not allow for an appropriate penalty, a penalty of up to EUR 740,000 (Article 23(7) Dutch Criminal Code) may be applied.

Copyrights:

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 up to EUR 18,500 (Article 31 Dutch Copyright Act). In case of an intentional infringement, whereby a person has the intention to distribute an object, containing a work infringing another person’s copyright, the person can be sentenced to an imprisonment of up to 1 year or a fine of up to EUR 74,000 (Article 31A Dutch Copyright Act). In case the guilty person commits the above acts as his profession or business, he will be sentenced to a term of imprisonment of up to four years or a fine of up to EUR 74,000 (Article 31B Dutch Copyright Act). In case of culpable infringement with the intention to trade, the fine can reach an amount of EUR 7,400 (Article 32 Dutch Copyright Act).

If the above acts are committed by a legal person, and, if the respective penalty category does not allow for an appropriate penalty, a penalty of the next category (Article 23(7) Dutch Criminal Code) may be applied.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

In order to start a criminal prosecution, the infringement has to be reported to the police. The matters will be investigated by the Piracy Detection Team of the Fiscal Intelligence and Investigation Department. It is up to the public prosecutor to decide whether to initiate prosecution.

Trademark counterfeiting and piracy can be handled through civil or criminal action.

In customs actions, customs will - *ex officio* or on request - first inform the Fiscal Information and Investigation Service and Economic Investigation Service (FIOD-ECD) after the suspension of suspected infringing products. The FIOD-ECD will then decide whether or not criminal prosecution will be initiated. If the FIOD-ECD decides not to prosecute, customs will inform the right holder, after which the right holder can submit an application for customs action.

Can they be initiated by right holders, if so, how?

Criminal proceedings should be initiated by reporting the infringement to the police.¹⁰ It is then for the public prosecution to decide whether prosecution will be initiated.

The prosecution policy is determined by the Public Prosecution Department, which is barely influenced by reporting to the police. Moreover, the Public Prosecution Department has the authority to decide whether or not it will prosecute. If parties do not inform the police, then, in practice, a prosecution is in the majority of cases not initiated.

Should one prove a link with organized crime? If yes, what are the factors considered?

No link with organized crime has to be established.

Should one prove a risk for health and safety?

No. However, if such a risk exists and is proven, the person infringing the trademark is risking imprisonment for a maximum of up to 4 years instead of 1 year or a fine of up to EUR 74,000 (Article 337(4) Dutch Criminal Code).

What type of collaboration is expected/allowed between prosecutors and right holders?

No real collaboration is expected. The prosecution generally runs its investigation without requesting any collaboration from right holders.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

No.

¹⁰ According to Article 161 of the Code of Criminal Procedure, "Everyone who is aware of unlawful acts which have taken place is authorized to report these acts to the police."

POLAND

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided such infringement occurs with willful intent or recklessness.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided such infringement occurs with willful intent or recklessness.

Under what law?

Trademarks:

Articles 305, 306, 309, 310 of the Industrial Property Law. *See* Appendix 18.

Copyrights:

Articles 115, 116, 117, 118 and 118¹ of the Law on Copyright and Neighboring Rights. *See Id.*

What acts are criminalized?

Trademarks:

Affixing the trademark on goods or trading trademarked products (*i.e.*, participating in initial and further sales/sales offers/other forms of transfer of property of counterfeit goods).

Copyrights:

Fixation (*i.e.*, making the first recording in any form), reproduction, dissemination (*i.e.*, making available on or without carriers including selling or offering to sell) and trafficking.

What mental state is required?

Trademarks:

Infringements can only be sanctioned under criminal laws when the act was committed intentionally (willful intent or recklessness).

Copyrights:

Infringements can only be sanctioned under criminal laws when the act was committed intentionally (willful intent or recklessness) and in some cases also unintentionally (requiring only negligence).

What types and levels of penalties are provided?

Trademarks:

Generally there are three types of penalties: a fine, limitation of freedom or imprisonment for a period of up to two years. In case of an act of minor gravity, a person committing such offence shall be liable for a fine only. A person who has made the offence his continuing source of proceeds or commits that offence in respect of goods of important value shall be liable for imprisonment for a period from 6 months to five years.

In addition to fines and custody, the criminal courts may impose a variety of orders such as forfeiture and confiscation orders.

Copyrights:

Generally there are three types of penalties: a fine, limitation of freedom or imprisonment for a period of up to two years. If the infringer commits an act for the purpose of economic gain, he or she shall be liable to imprisonment of not more than three years. If the infringer turns the offence into a regular source of income, or a specific criminal commercial activity, organizes or directs such activity, he or she shall be liable for imprisonment for not less than six months and not more than five years. If the infringer commits an act without willful intent, he or she shall be liable for imprisonment for not more than one year, restriction of liberty, or a fine.

Whoever, for the purpose of economic gain, purchases, helps in its vending, accepts or helps to hide an object which serves as a carrier of a work, artistic performance, phonogram or broadcast reproduced, or disseminated without authorization or against its terms, shall be liable for imprisonment for not less than six months and not more than five years. If the infringer turns these offences into a regular source of income, or if he organizes or directs such offending activity, he or she shall be liable for imprisonment of not more than five years. Whoever obstructs or prevents the exercise of the right to monitor the use of a work or artistic performance shall be liable for imprisonment, limitation of freedom, or a fine.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Can they be initiated by right holders? If so, how?

Criminal proceedings are initiated by state prosecutor/police. For most crimes as listed above a motion for prosecution of the injured party is necessary.

Should one prove a link with organized crime? If yes, what are the factors considered?

No, although a link to organized crime may be considered an aggravating circumstance.

Should one prove a risk for health and safety?

No, although such risk may again be considered as an aggravating circumstance.

What type of collaboration is expected/allowed between prosecutors and right holders?

The injured party may (and sometimes should) provide expert testimony/witness statements as to the existence of its rights, to identify possibly infringing goods and other facts relevant to the case.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

The role of the injured party in criminal proceedings is set out in the Code of Criminal Procedure. Additionally, having in mind ethical rules, informal relations and training for police staff is possible.

PORTUGAL

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Trademark counterfeiting is a semi-public crime (see below page 83), provided there is actual knowledge that the goods are counterfeit.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided there is actual knowledge that the goods constitute pirated works.

Under what law?

Trademarks:

Portuguese Industrial Property Code (Intellectual Property Code), Section 323. *See* Appendix 19.

Copyrights:

Portuguese Authorship and Neighboring Rights Code, Sections 195 to 199. *See Id.*

What acts are criminalized?

Trademarks:

Counterfeiting, by any means, is always a criminal offence. Specific acts that are criminalized include: manufacturing, imitating, selling, putting into circulation or concealing, trafficking and using counterfeit goods.

However, importation of counterfeit goods is not clearly foreseen by law. Notwithstanding, particular Portuguese case law seems to suggest that importation is included in the cases referred to in Article 324 of the Portuguese Industrial Property Code, which states that “the act of selling, putting into circulation or concealing counterfeit products, produced by any of the means and in any of the conditions referred to in Articles 321 to 323, with knowledge of that situation, is punishable with a prison sentence of up to one year or a fine of up to 120 days.”

Copyrights:

Copyright piracy is a criminal offence. Specific acts that are criminalized include: disclosure, publishing, collection, compilation, use of a work or performance without its author’s consent, counterfeiting of work or performance, moral rights infringement, and use of infringed or unlawfully appropriated works.

What mental state is required?

It is necessary that the infringer be acting with intent (“dolo”), requiring the infringer to have knowledge of the goods being counterfeit.

What types and levels of penalties are provided?

Imprisonment up to three years or payment of a fine of up to 360 days (applying the daily rate) in case of manufacturing and use of counterfeit goods. Imprisonment up to one year or payment of a fine up to 120 days in case of selling, trafficking and hiding counterfeit goods.

Copyright piracy is subject to an imprisonment of up to three years or payment of a fine starting at 150 to 250 days.

The exact amount of the fine is established by the court applying the daily rate, set in accordance with Article 47 of the Criminal Code: from EUR 5.00 (minimum) to EUR 500.00 (maximum) per day, depending on the economic and financial situation of the condemned person.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

A written request is to be filed before a Criminal Court or the ASAE (“Autoridade de Segurança Alimentar e Económica”) explaining in detail where counterfeits can be found, the legal basis for acting, *i.e.*, trademark rights and clearly explaining that the trademark owner intends to file criminal proceedings against the counterfeiter, if possible showing evidence of counterfeits.

Can they be initiated by right holders? If so, how?

Yes, by filing a complaint. It is noted that trademark counterfeiting used to be a public crime but – as from July 1, 2003 – with the entry into force of Decree-Law No. 36/2003, of March 5, 2003, it became a semi-public crime. This means that the public prosecutor cannot pursue the matter if the injured party does not file a complaint.

Should one prove a link with organized crime? If yes, what are the factors considered?

No.

Should one prove a risk for health and safety?

No.

What type of collaboration is expected/allowed between prosecutors and right holders?

None.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

Local law does not provide for any specific limitation.

ROMANIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided there is a direct or indirect intent.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided there is a direct or indirect intent.

Under what law?

Articles 35 and 83 of the Law on Trademarks and Geographical Indications No. 84/1998 (Law No. 84/1998). *See* Appendix 20.

Article 5 of the Law on Unfair Competition No. 11/1991 (Law No. 11/1991). *See Id.*

Articles 139, 140, 141 and 143 of The Law on Copyright and Related Rights No. 8/1996. *See Id.*

Articles 430, 432, 433, 434, 435, 436, 437 and 438 of the Romanian Criminal Code. *See Id.*

What acts are criminalized?

Trademarks:

The following acts are criminalized:

- manufacturing (by reproduction or imitation of a protected trademark) of counterfeit trademarks;
- using the counterfeit trademarks or unauthorized use of a registered trademark;
- using a sign, which infringes the right of a protected trademark;
- manufacturing, exporting, importing, storing, making available to the public and selling products bearing a counterfeit trademark or a protected trademark without the consent of the trademark owner.

Copyrights:

The following acts are criminalized:

- manufacturing, possessing, distributing, selling, leasing, exporting or importing, promoting pirated products;
- making available to the public the works or the products bearing related rights or *sui-generis* rights of the manufacturers of databases or of copies thereof;

- manufacturing, importing, distributing, holding, setting-up, maintaining or replacing access control devices, either original or pirated, used for the services of conditional access programs;
- reproducing, distributing, publicly communicating the works or products bearing associated rights;
- broadcasting and re-transmitting by cable the works or products bearing associated rights.

What mental state is required?

Both counterfeiting and copyright piracy are criminalized only when there is a direct (“*intentie directa*”) or indirect intent (“*intentie indirecta*”).

What types and levels of penalties are provided?

For both counterfeiting and copyright piracy, local law provides either imprisonment and/or a fine. However, considering the extremely serious consequences, Law No. 8/1996 in some cases provides only imprisonment as the sole penalty for the criminal act.

As per the provisions of the New Criminal Code (entered into force on September 1, 2009), counterfeiting and copyright piracy are sanctioned with day-fine (a particular sanction consisting of imprisonment based on a certain fine – days-fines range from 5 to 360 days, every day ranging LEI 10 (*i.e.*, about EUR 2,34) and LEI 100 (*i.e.*, about EUR 23,40)) or by imprisonment.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

If expressly or indirectly resulting from the relevant legal provisions, a preliminary complaint filed by the trademark or copyright owner is required for the criminal proceedings to be initiated. Otherwise, the proceedings are started *ex officio*.

After a complaint is filed or the criminal action is initiated *ex officio*, the police and prosecutors can proceed to gather evidence, can take statements from the trademark owner, can arrest and/or interrogate the individuals who are under investigation. During the criminal investigation, the prosecutors may perform an expertise (for example, in order to compare counterfeit and original products).

Once the indictments are made, the case is sent to the competent court.

Can they be initiated by right holders? If so, how?

Yes, based on a complaint filed with the competent authorities. Exclusive licensees can also file complaints, provided that the license has been previously registered with the National Register of Trademarks.

Likewise, on copyright piracy cases, the procedure is initiated by the copyright owner. At the same time, these procedures may be initiated by management bodies, associations fighting piracy or by persons authorized to use rights protected hereunder.

Should one prove a link with organized crime? If yes, what are the factors considered?

No.

Should one prove a risk for health and safety?

No, counterfeiting is sanctioned independently from the existence of any risk for health and safety. However, proving a risk to health and safety would likely support the complaint and increase the seriousness of the offense.

What type of collaboration is expected/allowed between prosecutors and right holders?

Full and active participation of trademark or copyright owners is expected in order to facilitate the discovery and sanctioning of a criminal act.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

From the moment criminal proceedings are initiated, trademark owners have very limited access to information. The limitation refers mostly to the interdiction to review the criminal file prior to transmitting the file to the competent court. However, trademark owners may be informed on the status of proceedings and may participate in raids to identify counterfeit products.

Even if not directly linked to criminal investigations, trademark owners may provide training for police and prosecutors dealing with counterfeiting and piracy.

SLOVAKIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. The intentional infringement of one's trademark may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. The intentional infringement of one's statutory copyright may constitute a criminal offense.

Under what law?

Sections 281 and 283 of the Slovak Criminal Code, Act No. 300/2005 Coll., as amended. *See* Appendix 21.

What acts are criminalized?

Trademarks:

Regarding trademark counterfeiting, importing, manufacturing and introducing into the Slovak market, counterfeit goods or labels are criminal offenses. Manufacturing, possessing (with commercial purpose), stocking, transporting, transferring, transshipping, or otherwise disposing of counterfeit goods or labels are not expressly mentioned in the law, but would constitute trademark counterfeiting because these acts would be considered attempts or uncompleted acts of intended introduction of counterfeit goods or labels into the Slovak market.

Conspiracy, facilitation, solicitation and attempts to commit the above acts are also criminalized.

Copyrights:

Regarding copyright piracy, any intentional infringement of copyright constitutes a criminal offence. Criminal acts are not expressly defined in the copyright act. The copyright act refers generally to "intentional infringement."

Conspiracy, facilitation, solicitation and attempt to commit intentional infringement also constitute criminal offenses.

What mental state is required?

Under the Slovak Criminal Code, intent is required, whether direct ("*Priemý úmysel*") or indirect ("*nepriemý úmysel*"). A crime is committed intentionally, whether the perpetrator wanted to violate or threaten the interest protected by the Criminal Code ("direct intent"), or knew that his actions could cause such violation or threat and nevertheless was agreeable to causing the result ("indirect intent").

What types and levels of penalties are provided?

For both trademark counterfeiting and copyright piracy, the penalties are imprisonment (up to two years for copyright piracy and three years for trademark counterfeiting), fines (between EUR 160,000 and EUR 331,930) and forfeiture. All three penalties may be imposed simultaneously.

The imprisonment of up to three years may be suspended. Unsuspended imprisonment may only be imposed in exceptional circumstances. So typically, trademark counterfeiting and copyright piracy will be punished by a suspended jail sentence.

If trademark counterfeiting causes substantial damage, the judge may impose a minimum of one year and a maximum of five years imprisonment. If trademark counterfeiting is linked to organized crime and causes substantial damage, a judge may impose imprisonment for minimum three years and maximum eight years.

If copyright piracy is committed via a computer system and causes substantial damage, the judge can impose a jail sentence from three months minimum to three years maximum.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Anyone (regardless of whether they have been injured or not) may file a criminal complaint describing the alleged criminal conduct of another person and requesting the prosecutor or police to initiate criminal proceedings. Also, the police or customs may initiate criminal proceedings *ex officio* when they discover the criminal activity.

As a general rule, the seized counterfeit goods are forfeited and destroyed.

Can they be initiated by right holders? If so, how?

Yes. *See* above.

Should one prove a link with organized crime? If yes, what are the factors considered?

If a crime is committed in the context of a criminal conspiracy, the jail sentence will be increased by one third. Being part of a criminal organization, is also a general aggravating factor for the purpose of calculating a sentence.

Should one prove a risk for health and safety?

No. It may be considered an aggravating factor for the purpose of calculating a sentence.

What type of collaboration is expected/allowed between prosecutors and right holders?

During criminal proceedings, the trademark or the copyright owners act as injured persons and are asked to submit expert statements that the seized goods are counterfeit or pirated. Any further participation of the trademark or copyright owner, *e.g.*, attending the oral hearing, is a right, but not an obligation.

A trademark or copyright owner may request the court to rule on damages as part of the criminal proceedings. In practice though, the trademark and copyright owners are usually referred to civil courts by the criminal court so that they can invoke their civil claims.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

N/A.

SLOVENIA

Is trademark counterfeiting a crime in your jurisdiction?

Yes. Intentional use of a trademark, trade name, geographical indication, while engaging in economic activities may constitute a criminal offense.

Is copyright piracy a crime in your jurisdiction?

Yes. Intentional use for the purpose of sale without owner's consent of copyrighted work of high total market value may constitute a criminal offense.

Under what law?

Articles 148 and 233 of Slovenia's Penal Code (Kazenski zakonik, Official Gazette of the Republic of Slovenia, No. 55/2008). *See* Appendix 22.

What acts are criminalized?

The Penal Code does not specifically define trademark counterfeiting and copyright piracy.

Trademarks:

The Penal Code criminalizes any unauthorized use of a registered trademark while engaged in economic activities. Even though there is no case law, manufacturing could be criminalized in the opinion of the author.

Facilitation and solicitation of unauthorized use of a registered trademark while engaged in economic activities are also criminalized. Attempt of the same is also criminalized provided that such an attempt involved a criminal offence, for which a sentence of three years imprisonment or a heavier sentence may be imposed under Slovenian law. Attempts involving any other criminal offences shall be punished only when so expressly stipulated by statute.

The Penal Code does not specifically provide for the criminalization of any of the following:

- stocking of counterfeit goods
- transporting, transferring, or transshipping counterfeit goods
- possessing counterfeit goods
- importing counterfeit goods
- exporting counterfeit goods
- selling counterfeit goods

Under the Intellectual Property Act ("IP Act"), however importing, exporting and selling counterfeit goods, are prohibited and are the basis for infringement actions (civil liability). Thus, if the criminal court in absence of clear guidance from the Penal Code would look to the IP Act for guidance, these activities would be most likely sanctioned. The IP Act does not specifically

address stocking, possessing, transporting, transferring, transshipping, or otherwise disposing of counterfeit goods, thus, it is difficult to predict what a criminal court would decide.

Copyrights:

The Penal Code only criminalizes the use without authorization of one or more copyrighted works or copies thereof of a high total market value. According to case law (Supreme Court's judgment No. I Ips 263/99) the following acts are criminalized: reproduction, distribution, rental of copies, public performance, public transmission, public presentation, broadcasting or transformation of copyrighted works without the author's permission when needed according to the law.

What mental state is required?

For both counterfeiting and copyright piracy, one must prove the infringer's criminal intent ("naklep").

According to Article 25 of the Penal Code, a criminal offence is committed with intent if the perpetrator was aware of his/her action and wanted to perform it, or was aware that an unlawful consequence may result from his/her action but he/she nevertheless let such consequence ensue.¹¹

What types and levels of penalties are provided?

Trademarks:

No monetary fines are imposed, only imprisonment for up to three years may be imposed.

Copyrights:

No monetary fines are imposed, but the following jail sentences may be imposed:

- imprisonment for up to three years for using without authorization one or more copyrighted works or copies thereof of a high total market value.
- imprisonment for up to five years for using without authorization one or more copyrighted works or copies thereof of a very high total market value.
- imprisonment for one to eight years for using without authorization one or more copyrighted works or copies thereof, gaining very large profits and intending to secure such profits for oneself or another person.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

The above-referenced criminal acts are prosecuted *ex officio*, i.e., by the public prosecutor ("Okrožni državni tožilec"). The right holder may file a criminal complaint with the police or the public prosecutor, but the public prosecutor decides whether or not to prosecute the case. If the

¹¹ Original text of Article 25 reads: "Kaznivo dejanje je storjeno z naklepom, če se je storilec zavedal svojega dejanja in ga je hotel storiti ali če se je zavedal, da lahko zaradi njegovega ravnanja nastane prepovedana posledica, pa je privolil, da taka posledica nastane."

public prosecutor decides not to prosecute the case, the right holder may as a private prosecutor continue the procedure before the criminal court.

Generally, it takes three years and four months from the moment the criminal offence was committed to the conclusion of the criminal procedure. Specifically:

- Pre-trial criminal procedure (criminal offence, criminal complaint filed with the police or public prosecutor, investigation, indictment) may last 18 months.
- Criminal procedure before the court (hearings, judgment) may last 22 months.
- Appeal procedure (before the Appellate court) may last less than 4 months.

Can they be initiated by right holders? If so, how?

Yes, as explained above.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No

What type of collaboration is expected / allowed between prosecutors and right holders?

During the investigation, the right holder will be entitled to call attention to all facts and offer evidence to prove the criminal act and the amount of possible damage.

At the main hearing the right holder will be entitled to produce evidence, pose questions to witnesses and experts and comment on and clarify its depositions, and make other statements and motions.

The right holder will be entitled to inspect the file and material evidence. The right holder may be denied the right to inspect the file until he/she has been interrogated as a witness. The right holder may, during the investigation, suggest to the investigating judge that individual acts of investigation be performed. The right holder may attend the inspection of premises and the examination of experts. The right holder may attend the examination of a witness during the investigation only if the witness is not likely to appear at the main hearing. During the investigation the right holder may only ask questions if permitted by the investigating judge.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

N/A

SPAIN

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided the infringer has the required intent.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided the infringer has the required intent and commercial aim.

Under what law?

Trademarks:

Article 274 of the Spanish Criminal Code relates to trademark counterfeiting offences. *See* Appendix 23.

Copyrights:

Article 270 of the Spanish Criminal Code relates to copyright piracy offences. *See Id.*

What acts are criminalized?

Trademarks:

Article 274 of the Criminal Code makes express reference to the following acts: reproduction, imitation, modification of a distinctive sign identical or confusingly similar to others which are registered, as well as importation, possession for commercialization and introduction in trade of counterfeits.

Copyrights

The Criminal Code qualifies the following acts as copyrights infringement: reproduction, plagiarism, distribution, public communication, transformation, interpretation, execution, exportation, storage and importation of pirated goods as well as the manufacture, importation, distribution and possession of any means destined to neutralize or suppress devices which protect computer programs or other works, interpretations or executions.

What mental state is required?

Trademarks:

As far as trademark counterfeiting is concerned, there are two different mental states:

- acts related to reproducing, imitating and modifying (*i.e.*, manufacturing acts) require one to act with an industrial or commercial aim and with knowledge of the trademark registration; and
- acts related to importing, possessing for commercialization and introducing in trade, require one to act intentionally (“*intención dolosa*” or “*dolo*”).

Copyrights:

As far as copyright piracy is concerned, there are also two mental states:

- acts related to reproduction, plagiarism, distribution, public communication, transformation, interpretation and execution require that one acts with the goal of making profit;
- acts related to exportation, storage and importation, as well as the acts of manufacture, importation, distribution and possession of any means destined to neutralize or suppress devices which protect computer programs or other works, interpretations or executions require that one acts intentionally.

What types and levels of penalties are provided?

Trademark counterfeiting and copyright piracy can be punished with penalties of six months to two years imprisonment and with a 12 to 24-months fine, as well as with the payment of the damages caused. The applicable “daily rate” depends on the purchasing power of the convicted criminal. Public prosecutors and criminal courts may establish a minimum of EUR 6.00 and a maximum of EUR 90.00 EUR or higher. A minimum fine would therefore amount to EUR 2,190.00 (12 months at a daily rate of EUR 6.00) or EUR 32,850.00 (12 months at a daily rate of EUR 90.00). The maximum fine would be EUR 4,380.00 (24 months at a daily rate of EUR 6.00) or EUR 65,700.00 (24 months at a daily rate of EUR 90.00) or higher.

Additionally, the Spanish Criminal Code establishes higher penalties for trademark counterfeiting and copyright piracy conducts: One to four years imprisonment, fine from 12 to 24 months and disqualification for the exercise of the profession related to the criminal act committed, for a period from two to five years, when any of the below circumstances concur:

- the benefit obtained is specially relevant;
- the facts are especially important, due to the value of the goods illicitly manufactured or to the special relevancy of the prejudices caused;
- the defendant was a member of an organization or association, even with a transitory character, the aim of which was the carrying out of activities which imply an infringement of intellectual property rights;
- minors under 18 years old were used for committing these criminal acts.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

Criminal proceedings against counterfeiters and pirates can be launched either as a consequence of a customs seizure, an *ex parte* denunciation or a police seizure:

Customs seizure

Whenever the right holder has put in place a customs surveillance application (national or Community), customs may detain goods suspected of being counterfeit or pirated *ex officio*, on the basis of the Regulation (EC) 1383/2003. Once the products are confirmed to be counterfeit or

pirated, the right holder (or its representatives) is provided with the contact details of the importer so as to try to reach an agreement on abandonment and destruction.

If no agreement is reached, then a criminal complaint can be filed to avoid the release of the goods, as a consequence of which criminal proceedings will be opened by the competent criminal court against the importer of the goods.

Denunciation *ex parte*

A denunciation can be filed before the police station, the public prosecutor office or directly with the court, which will trigger the opening of a criminal file by the corresponding criminal court.

Police seizures

Police seizures can be carried out either *ex officio* (because the criminal offences against intellectual property are public criminal offences) or as a consequence of the filing of a criminal complaint, which is necessary to get the authorization from the court in cases where the place to be seized is not an establishment open to the public (but a private domicile).

As a consequence of police seizures in which products suspected of being counterfeit/pirated are apprehended, criminal proceedings may be launched against the infringer.

Can they be initiated by right holders? If so, how?

Yes, right holders can initiate criminal proceedings against pirates/counterfeiters by filing a criminal complaint against the latter before the police, the public prosecutor or a criminal court.

Should one prove a link with organized crime? If yes, what are the factors considered?

No. The fact of proving a link with organized crime is only taken into account to impose against defendants higher penalties (referred to above).

Should one prove a risk for health and safety?

No. Proving such a link may be useful to obtain a verdict imposing higher penalties, but it is not a requirement.

Furthermore, proving such a link may also be used to accuse defendants of not only committing a crime against intellectual property, but also against public health (as set out in Articles 359 *et seq.* of the Spanish Criminal Code).

What type of collaboration is expected/allowed between prosecutors and right holders?

Public prosecutors:

In Spain, the criminal offence against intellectual property is a public crime where the public action is in the hands of the public prosecutor. That is, if right holders do not appear as private prosecutors in those criminal proceedings opened against pirates/counterfeiters, the public prosecutors will anyway exercise the criminal action as well as the civil action (unless the right holder waives its right to such claim).

In such an exercise, public prosecutors are subject to the principles of legality and impartiality. Thus, bearing in mind such impartiality, no collaboration is, in principle, expected to exist between the public prosecutor and the right holders in proceedings against counterfeiters and pirates.

Private Prosecutors:

There is no formal mechanism for collaboration, but there is also no legal disposition which would prevent such a collaboration.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

N/A

SWEDEN

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal act to infringe a trademark right, provided the act is committed intentionally or with gross negligence.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided the act is committed intentionally or with gross negligence.

Under what law?

Article 37 of the Swedish Trademark Act 1960:644. *See* Appendix 24.

Article 53 of the Swedish Copyright Act 1960:729. *See Id.*

Article 59 of the Swedish Copyright Act 1960:729. *See Id.*

What acts are criminalized?

For both trademark counterfeiting and copyright piracy, acts that are criminalized are manufacturing, selling, trafficking, importing and exporting counterfeited goods or pirated materials, labeling of goods, attempting or soliciting a crime, conspiring or facilitating a crime, possession for commercial purpose (not possession for individual use).

What mental state is required?

For both trademark counterfeiting and piracy, a showing of intent or gross negligence is required (“ *uppsåtliga eller av grov aktsamhet*”).

What types and levels of penalties are provided?

For both trademark counterfeiting and copyright piracy, the penalties are either fines or imprisonment for not more than two years.

The actual figure of a fine will be decided on a case by case basis. In a recent copyright infringement case from 2009 (“*The Pirate Bay-Case*”), the actual figure of the fines were SEK 30 million (*i.e.*, about EUR 3 million), collectively for three defendants. This is, however, an exceptional case. Generally, the fines are set much lower and in some cases defendants are sentenced only to a symbolic sum.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

For a trademark infringement, a public prosecutor is entitled to bring an action for violation only if there is a complaint from the injured party and such an action is called for in the public interest. For a copyright infringement, a prosecutor can bring an action for a violation either if there is a complaint from the injured party or if such an action is called for in the public interest. Certain exceptional cases will always require that it is deemed to be in the public interest.

The procedure to follow is to report the crime to the police. The police will hand over the report to a public prosecutor, and if the public prosecutor finds that the investigation is deemed to be in the public interest, when this is a requirement, he or she will prosecute the case. At the time the public prosecutor takes over the case, there is nothing else for the injured party to do in relation to procedural issues.

Grounds for the prosecutor's right to independently prosecute, "in the public interest," is for societal or cultural reasons, *e.g.*, the action is strongly offensive to the public morality, great economic value, health and safety issues, etc. If the prosecution is in the public interest, the parties' opinions of the matter are irrelevant.

Can they be initiated by right holders? If so, how?

See above.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No, but this can be a factor when evaluating if an action is of public interest.

What type of collaboration is expected/allowed between prosecutors and right holder?

There can be some level of information exchange.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

No

UNITED KINGDOM

Is trademark counterfeiting a crime in your jurisdiction?

Yes. It is a criminal offense to infringe a trademark right, provided there is an intention to gain from the counterfeiting or an intention to cause loss to another.

Is copyright piracy a crime in your jurisdiction?

Yes. It is a criminal act to infringe a copyright or a neighboring right, provided the offender knew or had reason to believe that he was dealing with an infringing copy.

Under what law?

Trademarks:

Section 92 of Trade Marks Act 1994 (TMA 1994). *See* Appendix 25.

Copyrights:

Sections 107, 198 Copyright, Design and Patents Act 1988 (CDPA 1988). *See Id.*

What acts are criminalized?

Trademarks:

In all cases, the mark must be identical to, or likely to be mistaken for, a registered trademark.

In relation to goods:

- Affixing the mark to goods or their packaging
- Disposing of (includes offering for sale or hire) goods bearing the mark or goods whose packaging bears the mark
- Possessing such goods with the view that they will be disposed of

In relation to advertising materials:

- Affixing the mark to stickers, labels, posters, flyers (basically any advertising materials)
- Using in the course of business such advertising materials
- Possessing such advertising materials with the view that they be used in the course of business

Tools of deception:

Making or possessing an article which can be used for applying a mark and which has been specifically designed or adapted for making copies of the mark.

Copyrights:

It is an offence for any person, without the license of the copyright owner, to do, with an infringing copy of a copyrighted work, the following:

- make for sale or hire;
- import into the United Kingdom otherwise than for private or domestic use;
- dispose of in the course of business (includes offering for sale or hire);
- exhibit/communicate to the public in the course of business;
- distribute in the course of business; and
- distribute/communicate, not in the course of business, but to such an extent as to affect prejudicially the owner of the copyright.

The mere possession of an authorized copy for the purpose of making copies is not itself a criminal offence, although the actual making of copies is. Likewise, mere possession (without more) of an infringing copy, even in the course of a business, is not an offence. The prosecutor needs to show that, along with possession in the course of business, the defendant had a view to committing an act infringing copyright (for example, selling, exhibiting or distributing).

It is also an offence to make or possess an article specifically designed or adapted for making copies of a particular copyrighted work.

Additionally, it is an offence for any person, without sufficient consent, to do the following in relation to a recording which is (or he has reason to believe is) an illicit recording:

- make for sale or hire;
- import into the United Kingdom otherwise than for his private or domestic use;
- sell/let for hire, offer/expose for sale or hire or distribute in the course of business.

It is also an offence for any person to cause a recording of a performance made without sufficient consent to be:

- shown or played in public; or
- communicated to the public.

Inchoate and auxiliary offenses

As part of general English law, a person who is somehow involved in the commission of a crime, for example aiding the crime, is also himself liable along with the primary wrongdoer. A person is also liable if he attempts to commit a crime. It is, therefore, common in counterfeiting and piracy cases that the wrongdoer will be caught in some preparatory act as opposed to when he

carries out the acts himself. It is common to initiate a charge of conspiracy to defraud or conspiracy to commit a criminal offence.

What mental state is required?

Trademarks:

It must be proved that the defendant had an intention to gain (for himself or another) from the counterfeiting or an intention to cause loss to another. For tools of deception, the person must also have known or had reason to believe that the article had been used or was to be used for counterfeiting purposes.

For all offences under Section 92 of the TMA 1994, it is a defense if the defendant believed on reasonable grounds that the use of the mark was not an infringement of the registered trademark.

Copyrights:

It must be proved that either the offender knew or had reason to believe that the article was an infringing copy.

What types and levels of penalties are provided?

Trademarks:

For a summary conviction (in the Magistrates' Court) an offender may be sentenced to a maximum of six months in prison and/or a fine not exceeding £5,000 (*i.e.*, about EUR 5,750). For a conviction on indictment (Crown Court, before a judge), an offender may be sentenced to a maximum of ten years imprisonment and/or an unlimited fine may be imposed. In addition to fines and custody, courts may impose a variety of orders such as compensation orders, restitution orders, forfeiture orders and confiscation orders.

Copyrights:

In relation to making, importing and distributing infringing articles, a fine of not more than £5,000 (*i.e.*, about EUR 5,750) or a term of imprisonment not exceeding six months, or both, may be imposed if it is a summary conviction. On indictment, an unlimited fine or imprisonment for a term not exceeding ten years, or both, may be imposed.

The United Kingdom government is currently carrying out a consultation on the penalties for copyright infringement, one aim being consistency in the penalties imposed for online and physical copyright infringement (currently the penalties are less severe for online infringement). Another key recommendation is the increase of the maximum penalty that can be imposed for copyright infringement from £5,000 (*i.e.*, about EUR 5,750) to £50,000 (*i.e.*, about EUR 57,500).

Other offences under Section 107 CDPA 1988 are triable only summarily (only before a Magistrates' Court and not in a Crown Court before a judge). A fine not exceeding £5,000 (*i.e.*, about EUR 5,750) or a term of imprisonment not exceeding six months, or both, may be imposed.

In relation to offences under Section 198 CDPA 1988, for a summary conviction, an offender may be sentenced to a minimum of six months imprisonment and/or fine not exceeding the

statutory maximum. For conviction on indictment, an offender may be sentenced to imprisonment for a maximum of ten years and/or an unlimited fine may be imposed.

The court also has power to make a confiscation order under the provisions of the Criminal Justice Act 1988.

What are the procedures to follow to have counterfeiters and pirates prosecuted?

The procedures to be followed are those for any criminal offence as set out in the following main legislation: (i) Prosecution of Offences Act 1985; (ii) Criminal Procedure Rules 2005 (CPR), which is supplemented by the Consolidated Criminal Practice Direction (CCPD); and (iii) Criminal Justice Act 1988.

Public prosecutions can be brought by the police or Trading Standards.

Trading Standards is the name given to local authority departments who deal with diverse issues under a wide variety of legislation, as set out by central government and other government agencies. Trading Standards' remit includes enforcement in the fields of metrology, safety of explosives, consumer credit, product safety, underage sales, fair trading, consumer advice and education and prevention of the sale of counterfeit goods. Trading Standards Officers across the country coordinate through a body known as the Local Authorities Coordinators of Regulatory Services ("LACORS") and a professional body is known as the Trading Standards Institute.

Trading Standards' investigatory, regulatory and enforcement role means that they are frequently a first port of call in the event of an enforcement against criminal activity in relation to intellectual property rights. Trading Standards' authority in respect of counterfeiting and piracy derives from the relevant section of the legislation conferring the intellectual property right, for example Section 93 of the Trade Marks Act 1994, Section 107A and Section 198A of the Copyright, Designs and Patents Act 1988.

Generally, a rights holder will inform the Trading Standards department of his local authority, presenting any information to them, and requesting that Trading Standards conduct the necessary investigation. To determine whether an offence has been committed, Trading Standards officers have the power to: make test purchases of goods; secure the provision of services and enter premises (other than dwelling places). Trading Standards officers can also seize and detain any goods, and order the alleged infringer to produce accounts if they have reasonable cause to suspect that an offence has been committed.

The officers' powers are territorial and they cannot act unless an offence has been committed in their area. In cases where the counterfeiters consist of a large organized unit, Trading Standards may seek police assistance as the police have broader powers of seizure and arrest, and can conduct searches without a warrant. As a local authority body, the Trading Standards department may be under-resourced, thus rights owners may draw to the department's attention other public policy reasons why action should be taken as a priority, for example fears for safety of counterfeit electronic goods. To bring a counterfeiter to trial can take a long time – in the region of a year or more. In the alternative, a rights holder may prefer a civil action for damages, which may also have the effect of putting the counterfeiter / pirate out of business.

Can they be initiated by right holders? If so, how?

Under the Prosecution of Offences Act 1985 any “person” can bring a prosecution in cases where there is no duty on the Director for Public Prosecution (DPP) to prosecute. Therefore, the right holder may himself bring a private prosecution. However, there is conflicting authority as to whether a corporation is a “person” for the purposes of being able to bring a prosecution. This issue is mainly a formal one, though, since, if a corporate trademark owner wishes to bring a prosecution, it can always do so by an employee. It is, however, worth noting that the DPP can take over the conduct of any prosecution, and thereafter decide not to proceed.

The practical obstacles to bringing a private prosecution in relation to IP offenses include the extent to which a private person (legal or natural) is legally able to gather the evidence necessary in such cases that would be admissible in a criminal court. Absent a court order, a private person would have no right of entry or to seize goods in the same way as Trading Standards or the police. As such, where evidence can be gathered through ordinary means - *e.g.*, through making trap purchases - it would be easier to collate the necessary evidence. A civil court (to which one would apply for *e.g.*, a search or seizure order) will not grant a civil order where the main purpose of the order is to secure evidence that is to be used in criminal proceedings. Even if it did, the costs of obtaining such an order are high. Consequently, despite the disadvantages of dealing with Trading Standards, this is the route most often followed rather than by private prosecution.

Should one prove a link with organized crime? If yes, what are the factors considered?

No

Should one prove a risk for health and safety?

No

What type of collaboration is expected/allowed between prosecutors and right holders?

If a public body initiates the prosecution, the right holder is likely to be called upon to provide evidence.

Are there any ethical, legal limits on collaboration between prosecutors and right holders?

N/A