

QUESTION 169

Criminal Law sanctions with regard to the infringement of Intellectual Property rights

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Q169

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Resolution

AIPPI

Considering that:

- a) Article 61 of the TRIP's Treaty calls for criminal procedures and penalties, at least for cases of wilful trademark counterfeiting or copyright piracy on a commercial scale;
- b) Article 61 also leaves it to member states to decide whether criminal penalties be applied in other cases of infringement of Intellectual Property rights where they are committed wilfully and on a commercial scale;
- c) There are no prescribed measures for, nor is there a uniform approach to, achieving these objectives and further, there is no common objective test of the effectiveness of the measures and/or approaches in achieving these objectives;
- d) The level of economic, technological and industrial development in each member state is different; and in addition, the differences in the legal systems of different countries may result in wide-ranging differences in enforcement procedures and available remedies; some of the countries having adopted various penal sanctions, which interest for the protection of the Intellectual Property rights is recognised;

Adopts the following Resolution:

- 1) Criminal procedures and penalties should at least be available in all cases where there is wilful:
 - a) trademark counterfeiting or trademark infringement, or
 - b) copyright piracy or copyright infringement, on a commercial scale.
- 2) Criminal procedures and penalties may be available in cases where there is wilful infringement of patents, supplementary protection certificates, designs and utility models on a commercial scale, particularly against the persistent infringement of these rights.

However, the technical and legal complexity of the determination of infringement in the case of patents, utility models or supplementary protection certificates, and also to a lesser degree in the case of designs, should be taken into account in defining criminal liability.

- 3) Criminal liability for Intellectual Property right infringement should be contingent on wilfully committing an unlawful act knowing such act to be unlawful or with reckless disregard for the unlawfulness thereof.

This must be proven either by direct or by strong circumstantial evidence.

- 4) The accused person may raise the invalidity of the Intellectual Property right as a defence.

Upon request of the accused person:

- a) the criminal courts should be allowed to determine on the validity and infringement of an Intellectual Property right vis-à-vis the parties to the action, but only for the purpose of that particular action, or
 - b) the criminal court should stay the decision of infringement (if not the criminal proceeding itself) until the validity of the Intellectual Property right is established by the competent authority.
- 5) Penalties to be considered could include imprisonment, monetary fines, publication of the judgement at the infringer's expense, destruction of the counterfeits and infringing goods and tools only used in making such goods, community service, and the closure of the infringer's premises.
 - 6) In the countries where the Intellectual Property right owner is allowed to institute a private criminal action, he should be allowed to terminate this action.
 - 7) It should be possible to use all materials submitted in criminal proceedings in any subsequent civil proceedings.
 - 8) Criminal liability for acts of Intellectual Property rights infringement should extend only to directors and/or other officers of the entities who acted wilfully in the acts and to corporate entities employing them.