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The Justification for Criminal Sanctions

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Introduction

- Article 61 TRIPS:

- *“Members shall provide for **criminal procedures and penalties** to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. [...]. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale”.*

Introduction

- Why criminalizing?
 - Policy reasons
 - Question of effectiveness as well?

- Scope?
 - Emphasis on TM counterfeiting and copyright piracy
 - ... under conditions
 - ... and might go further

1. What?

- Art. 61 TRIPS and many legislation: criminalization limited to TM infringement and copyright piracy
- TM counterfeiting: more than TM infringement
 - Imitation (two signs must be identical or fairly indistinguishable), infringing goods = substantially copies => intention to cause confusion, to deceive
- Copyright piracy: more than copyright infringement
 - Illicit copy

1. What?

- TM infringement + Copyright piracy :
 - Wilfulness
 - Commercial scale
 - goal: obtaining a commercial advantage
 - not acts carried out by private users for personal and not for profit purposes
 - some countries go further

2. Why criminalizing?

- US DoJ: Criminal sanctions in order *“to punish and deter the most egregious violators: repeat and large-scale offenders, organized crime groups, and those whose criminal conduct threatens public health and safety”*
- Policy considerations - Criminal Law, in general, protects private rights if there is (a) public policy element(s)

2. Why criminalizing?

- For TM counterfeiting and copyright infringement, which one(s)?
 - Protection of local and regional industries + of local and regional culture
 - Protection and encouragement of FDI and international trade relations
 - Protection of public health and safety
 - Protecting consumers from fraud
 - Tax and customs income
 - Prevention of corruption and organized crime

2. Why criminalizing?

- Criminalization as an alternative to civil procedures experienced as being less efficient to fight counterfeiters and pirates (instead of “mere” competitors who happen to infringe IPRs)
 - Canadian anti-counterfeiting network: *“Civil remedies are not effective because counterfeiters are criminals. They do not respect the law, and they strategically and tactically carry out their criminal activities in ways explicitly designed to avoid the justice system, both civil and criminal”*

2. Why criminalizing?

- Advantages in comparison with civil path:
 - Public intervention: investigation!
 - Less costly and quicker than civil procedure
 - Deterrent effect being more effective?

2. Why criminalizing?

■ Disadvantages :

- How to compensate the right holder – civil aspects (still) to be dealt with
- “Specialization” of judges in criminal courts? And of investigation and prosecuting authorities?
- Over-criminalization / no proportionality in sentences may have a counter effect

3. Why focusing on TM/copyright?

- Faculty of MS to go further
- Less appropriate?
 - Example: Willful infringement of patent rights
 - Public authorities not equipped to detect patent infringement
 - Willful infringement difficult to evidence – *e.g.*: *quid* infringement by equivalent?
 - Over-deterrent effect on innovation?
 - Conflicting interests of right holders – *e.g.*: IT vs. pharmaceutical companies?

4. Alternative Criminal Charges

- Fraud
- Customs
- Tax
- Racketeering and money laundering
- Drug and food legislations
- Labour related legislations
- Complicity - Attempts

THANK YOU FOR YOUR ATTENTION!



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