

# *Effective Enforcement of IPR's*

WIPO-WASME - Special Program  
on Practical IP Rights Issues  
*Geneva, October 2003*



*Perry v Truefitt (1842)*  
*6 Beav 66, 49 E.R. 749*

Lord Langdale: ... a man is not to sell his own goods under the pretence that they are the goods of another man; he cannot be permitted to practice such a deception...he cannot be allowed to use names, etc. by which he may induce purchasers to believe that the goods which he is selling are the manufacture of another person. I have no doubt that he has no right to use the mark for purposes of deception ...

## Saudi Legal Opinion

- Research and Advisory Commission - Fatwa No. 21661
- it is not permissible to trade in counterfeit goods under the pretence that they are genuine. It is not permissible to sell or distribute these counterfeit goods to retail shops as such an act constitutes fraud and deception

## *Brand popularity of well-known / famous marks*

- *Identification function*
- *information*: conveys a “positive” message about the product
- *idealization*: certain “*kind of people*” who:
  - shop in Calvin Klein’s store or Harrods
  - wear Levi’s jeans
- *brand popularity* =?= counterfeiters = fraud

## *Counterfeit trademark goods*

“shall mean any goods, including packaging, bearing *without authorization a trademark which is identical* to the trademark validly registered in respect of such goods, or which *cannot be distinguished* in its essential aspects from such a trademark, and which thereby *infringes the rights of the owner* of the trademark in question under the law of the country of importation” - Art. 51(fn) of TRIPS

## *Cartier ... high-end counterfeits*

- well-known Trinity rings
- Japan ? Hong Kong ? Singapore ? Germany [and Scandinavia] ? packaging from China

## *Bravo!*

- principal counterfeiter: prison term - 2.5 years (without parole)
- with co-defendants - jointly and severally liable for costs and damages: DM4.6 million - corresponding to estimated gross profits (DM 5.9 million) - already out of court settlement of DM1.3 million

## *Chanel ..... Levi's*

- Court: infringement ... “willful blindness is knowledge enough”
  - person who *actively and knowingly* caused infringement is *personally liable*
- Defense: “an innocent infringer”
- court: *no hiding behind corporate shield = personal liability* - goods of such inferior quality - even minimal inquiry would have disclosed counterfeit nature thereof



## *Fakegifts.com*

- DiPadova - largest Internet site dealing in counterfeit goods: Rolex, Cartier, Mont Blanc...
- he said: "... and even if they shut down one site, I'll put up another. I'm very much aware of what I'm doing, but the money is good, I'm going to keep doing it"
- sentenced (14.12.01) - 24 months prison + 3 years supervised released + US\$ million in restitution to TM owners

## *Counterfeiting - impact*

- constitutes estimated 5 - 8% of world trade
- profitable, tax-free cash business
- lines the pockets of criminals
- can pose a threat to public health and safety
- results in job losses and in companies spending millions protecting their marks - EU 2002: -17 000 jobs
- consumers: receive poor-quality good

## *Pirated copyright goods*

“shall mean any goods which are *copies* made *without the consent* of the right holder or person duly authorized by the right holder in the country of production and which are made *directly or indirectly from an article* where the making of that copy would have constituted an infringement of a copyright or a related right under the law of importation” - Article 51 (fn) of TRIPS

## *Piracy: not a “victimless crime”*

- performers; governments; economies deprived of new investment; consumers - less diversity of choice; producers ...
- local culture suffers; piracy nurtures organized crime; piracy = a brake on investment, growth and job creation
- US - 2001: copyright industries = 5.2% of GDP = US\$535 billion (118 000 job losses)

## *WIPO - mandate and international cooperation*

- WIPO Convention: protection and promotion of IP throughout the world ... and collaboration with other IGO's
- various WIPO-administered treaties
- Cooperation Agreement with WTO (1995) and subsequent initiatives for developing (1998) and LDC's (2001)

## *WIPO - activities in enforcement*

- Enforcement Committees
- legislative assistance
- assistance: formulating national enforcement strategies
- cooperation at the international level
- activities with Regional Bureaus and the WIPO Worldwide Academy

## *Enforcement Committees*

<http://www.wipo.int/news/en/index.html>

- Advisory Committee on Management and Enforcement of Copyright and Related Rights in Global Information Networks (ACMC Dec. 98 and 99)
- Advisory Committee on Enforcement of Industrial Property Rights (ACE/IP Oct. 00)
- Joint session of ACE/IP-ACMEC (Dec. 01)
- Consultation Meeting on Enforcement 9.02

## *Decision by Assembly*

*(September 23 to October 1, 2002)*

- One single Committee in charge of global enforcement issues
- Forum for discussions on enforcement
  - *Noted concern of the Group of Latin American and Caribbean Countries - no normative functions + info generated not to be used to adopt trade measures against any country*
- Enforcement and Special Projects Division



## *Proposed objectives*

- coordination with certain organizations and the private sector to combat counterfeiting and piracy
- public education
- assistance
- coordinate national and regional training
- exchange of information

## *Advisory Committee on Enforcement*

- First Session: June 11 to 13 2003
- next meeting in 2004
- thematic approach:
  - “The role of the judiciary and quasi-judicial authorities, as well as of prosecution, in enforcement activities (including related issues such as litigation costs and the like)”
- IPEIS forum would no longer be restricted

## *Global approach to stop counterfeiting and piracy*

- Coordination at the
  - international level (IGO's and NGO's = databases on counterfeits and training, etc
  - national level (task force approach
- education: fakes = no value for money; counterfeiting is fraud
- change attitudes of those who knowingly buy fakes
- court actions - deterrent

## *WIPO DG Dr. Kamil Idris*

- April 26, 2001 - WIPO Day - tribute to inventors and creators in all societies:
- “We all share in the fruits of their ideas, their imagination, their talent and hard work. Join us in saluting their dedication and perseverance, and help us in encouraging the innovators of tomorrow”