



## **Standing Committee on Piracy and Counterfeiting**

### **Law Review**

#### **Criminal Protection of IP**

This Law Review has been prepared by AIPPI's Standing Committee on Piracy and Counterfeiting.

It comprises a multi-jurisdictional review of available protection for intellectual property under criminal law provisions.

This Law Review represents the views of the contributing authors. It does not represent any official position of AIPPI.



**Standing Committee on Piracy and Counterfeiting'**

**"Criminal Protection of IP"**

**Thanks to the Authors:**

***GALLI Law Firm - Raimondo GALLI - Italy (coordinator)***

*Ashley Roughton - UK*

*Baker & McKenzie - Russia*

*Baker & McKenzie - Marcin Fijalkowski – Poland*

*BARLAW – Barrera & Asociados – Peru*

*Bird & Bird - Géraldine Arbant – France*

*Brinkhof N.V. - Kurt Stöpetie – the Netherlands*

*CCPIT Patent and Trademark Law Office - Aimin Huo - China*

*Curell Sunol – Jordi Güell - Spain*

*Wasserbauer Law firm - Damian Wasserbauer - US*

*Gozzo Advokater - Ann-Charlotte Söderlund Björk - Sweden*

*Gün + Partners - Zeynep Seda Alhas – Turkey*

*Hogan Lovells – Bernardo Herrerias - Mexico*

*Interlus - Olga Sirakova – Bulgaria*

*Noerr LLP – Janina Voogd - Germany*

*PE Enterprise - Jon Villamor Muguerza – Spain*

*Properta Attorneys Ltd – Hanna-Majja Elo – Finland*

*Salomone Sansone – Luigi A. Sansone - Malta*

*V&A LAW Villaraza & Angangco - Bienvenido I. Somera, Jr. – Philippines*

<p style="text-align: center;"><b>1) IP Titles that can be protected under Criminal Law</b> (Trademarks, Common Law trademarks, Patents, Models, Design, Copyright, Trade Secrets)</p>
<p><b>ITALY:</b> All Titles above are protected under criminal law (Trademarks, Common Law trademarks, Patents, Models, Design, Copyright, Trade Secrets) .</p>
<p><b>FRANCE:</b> All IP Titles are protected under French criminal law, except for Common Law Trademarks, which do not apply in France.</p>
<p><b>UK :</b> All Titles above except patents, models, design and trade secrets are protected under UK criminal law.</p>
<p><b>POLAND:</b> All titles above are protected under criminal law. However, patents, models and designs are protected only when non-entitled person applies for registration or prevents a right from being obtained (including by a disclosure of information).</p>
<p><b>BULGARIA:</b> As per above.</p>
<p><b>TURKEY:</b> Among the IP Titles above, only the trademarks and copyrights are protected under criminal law.</p>
<p><b>CHINA:</b> All Titles above except for Common Law trademarks are protected under criminal law.</p>
<p><b>RUSSIA:</b> All Titles above, except for "Common Law trademarks", are protected under criminal law. We assume that "model" means a "utility model", which according to the Russian legislation is a technical solution referring to a device which is protected by a patent. Please confirm that such interpretation is line with the term used in this questionnaire. Trade secrets can only be protected under criminal law if a right holder maintains the regime of commercial secret.</p>
<p><b>SWEDEN:</b> the same as Italy.</p>
<p><b>SPAIN:</b> All Titles except for common law trademarks are protected under criminal law.</p>
<p><b>FINLAND:</b> All Titles above are protected under criminal law.</p>
<p><b>PHILIPPINES:</b> All Titles above are protected under criminal law, but for patents, utility models and design criminal action is available only after a repeat of the infringement by the infringer who has been adjudged with finality to have committed the infringement in a civil action.</p>
<p><b>UNITED STATES:</b> All Titles above are protected under criminal law to varying degrees of criminal prosecution as there are some criminal and quasi-criminal penalties for certain conduct related to patents. <b>Trademarks:</b> Trafficking In Counterfeit Trademarks, Service Marks, and Certification Marks -- 18 U.S.C. § 2320 <b>Patents:</b> There are three types of patents: utility, design, and plant. Unlike copyright and trademark infringement, there are no criminal—only civil—penalties for committing patent infringement. However, there are some criminal and quasi-criminal penalties for certain conduct related to patents. Forgery of Letters Patent -- 18 U.S.C. § 497</p>

False Marking of Patent -- 35 U.S.C. § 292

**Models:**

May be covered under copyright provisions (e.g. a sculpture modeled in clay or bronze) or in the context of government contracts e.g. Arms Export Control Act, 22 U.S.C. §§ 2778, and the International Traffic in Arms Regulations (ITAR), 22 C.F.R. §§ 120-130, which prohibits the export or import of U.S. Munitions List items without obtaining a license from the Secretary of State. See, e.g., United States v. Reyes, 270 F.3d 1158, 1169 (7th Cir. 2001) "Defense article" includes items or technical data designated on the United States Munitions List, and "technical data recorded or stored in any physical form, models, mockups, or other items that reveal technical data directly relating to items designated [in the Munitions List]." 22 C.F.R. § 120.6.

**Design:**

Designs specifically may be covered under one or more of the patent, trademark, copyright and/or trade secret provisions.

**Copyright:**

Criminal Copyright Infringement -- 17 U.S.C. § 506 and 18 U.S.C. § 2319. Although civil and criminal law contain protections for the rights owner, criminal enforcement focuses primarily on the distribution and reproduction rights, the only two rights for which the violation can be a felony offense subject to higher criminal penalties. See 17 U.S.C. § 506(a) and 18 U.S.C. § 2319. Those convicted of criminal felony copyright infringement face up to five years' imprisonment and a \$250,000 fine.

**Trade Secrets:**

Theft of Commercial Trade Secrets -- 18 U.S.C. §§ 1831-1839 (The Economic Espionage Act of 1996); Defend Trade Secrets Act (DTSA), 18 U.S.C. §§ 1839 et seq., created a federal cause of action for misappropriating trade secrets providing both a private right of action for damages and injunction and a civil action for injunction brought by the Attorney General. Trade secrets are mainly protected under state laws, and most states have enacted the Uniform Trade Secrets Act (UTSA), except for Massachusetts, New York, and North Carolina.

A trade secret can be any form or type of commercially-valuable information that the owner has taken reasonable measures to keep secret and that has an independent economic value from the fact that it is secret and cannot be readily ascertained by the public including scientific and business information (e.g., market strategies). The theft of trade secrets is punishable by up to 15 years' imprisonment and a \$5 million fine if committed to benefit a foreign government or agent (18 U.S.C. § 1831), and up to ten years' imprisonment and a \$250,000 fine in other cases (18 U.S.C. § 1832).

**PERU:** All Titles except for common law trademarks are protected under criminal law.

**THE NETHERLANDS:** All of the above IP Titles are protected under criminal law, except for common law trademarks.

**MALTA:** All Titles above are protected under criminal law. However, although the criminal law mentions Models of Manufacture, these are not recognised in local specialised IP law.

**GERMANY:** All IP Titles above are protected under German criminal law.

**MEXICO:** Only Trademarks, Copyrights, Trade Secrets and Confidential Information are protected under criminal law. Common Law Trademarks are not protected in Mexico.

For Patents, Models and Designs, criminal actions could only be brought in the event of reoccurrence of infringing conducts, once the first administrative sanction imposed has turned into non-contestable.

**2) Can IP titles be protected even if they are not still granted?**

**ITALY:** Yes, IP titles can normally be protected even if they are not still granted, but grant must occur at the time of Decision.

Recently the Supreme Court declared that even the start of prosecution may be subject to title grant.
<b>FRANCE:</b> Criminal prosecution of IP infringement presupposes a valid title. The title must be enforceable and the right should not be exhausted.
<b>UK :</b> No.
<b>POLAND:</b> Yes. However, please note that copyright and trade secrets are created without any registration procedure.
<b>BULGARIA:</b> except for the copyrights the other titles must be granted.
<b>TURKEY:</b> No. The relevant IP Title has to be registered in order to enjoy protection as per criminal provisions.
<b>CHINA:</b> No, IP titles are protected after they are granted.
<b>RUSSIA:</b> No, criminal protection only covers granted IP titles.
<b>SWEDEN:</b> as a general principle the same as Italy.
<b>SPAIN:</b> Only copyright are protected by criminal law without the need of a registration. In relation to those rights that need to be registered for complete protection, the criminal protection is only possible after the grant (Patents, Trademarks, Designs, Designations of origin and Geographical Indications). The criminal law requires “knowledge of the grant” and always refers to the “owner”, never to the “applicant”.
<b>FINLAND:</b> Copyright and established trademark right give protection also without registration and can thus also be infringed without registration. For other IPR rights they must be registered to enjoy criminal protection.
<b>PHILIPPINES:</b> For trademarks, registration is required before one can file an action for infringement. However, registration is not necessary to file a case for unfair competition. For patents, registration is also required before one can file a civil action for infringement. For copyright, registration is not necessary for it to be protected.
<b>UNITED STATES:</b> No, registration needed as to patents. Yes, copyright and trade secrets are created without any registration procedure. Criminal prosecution of IP infringement requires valid title and an enforceable right (e.g. should not be invalidated, expired and/or exhausted). Trade Secrets are defined as not registered. Copyright registration is not a prerequisite to a criminal prosecution for copyright infringement. The Prioritizing Resources and Organization for Intellectual Property Act of 2008 (PRO-IP) Act of 2008, Pub. L. No. 110-403, <i>II. Criminal Copyright Infringement</i> 23 122 Stat. 4256 (2008) clarified this point by amending § 411 to add the word “civil.” Yes (1) and No (2) A trademark registration is required other than Olympic Symbols: (1) the genuine mark is registered on the principal register in the United States Patent and Trademark Office under 18 U.S.C. § 2320(d)(1)(A)(ii) ( <i>i.e.</i> elements of proof of an unregistered trademark is problematic as to proper notice or actual knowledge, restitution, and sentencing); and (2) registration not needed for the Olympic symbols ( <i>e.g.</i> Olympic mark 5 interlocking rings,

<p>International Paralympic Committee -- the taeguk symbol (three pa), and Pan-American Sports Organization -- a torch surrounded by concentric rings) under 18 U.S.C. § 2320(f)(1)(A)'s registration requirements do not apply to cases dealing with criminal trademark infringement of Olympic symbols. <i>Compare</i> 18 U.S.C. § 2320(f)(1)(A)(ii) <i>with</i> § 2320(f)(1)(B); <i>see also</i> 36 U.S.C. § 220506; <i>Joint Statement</i>, 130 Cong. Rec. 31,675 (1984) (explicitly exempting cases involving Olympic symbols from the registration requirement).</p>
<p><b>PERU:</b> Only copyright are protected by criminal law without the need of a registration.</p>
<p><b>THE NETHERLANDS:</b> Criminal protection of IP rights presupposes a valid title. So, if rights are dependent on registration this requirement should be fulfilled. This does thus not apply to f.i. unregistered designs, trade secrets and copyrights.</p>
<p><b>MALTA:</b> Criminal protection of IP rights presupposes a valid title. So, if rights are dependent on registration this requirement should be fulfilled. This does thus not apply to unregistered designs, trade secrets and copyrights.</p>
<p><b>GERMANY:</b> No. However, please note that trade marks acquired through use, trade secrets and copyrights are not granted but come to exist without registration. The same applies for unregistered community designs.</p>
<p><b>MEXICO:</b> Copyrights do not require a registration or formalities to be protected. It is only necessary that the work is incorporated in material means. Trade Secrets and due to the nature of this title, a registration is not required to be enforced. Trademarks are protected as from the filing date or the date of first use claimed in the application, once they are granted. Previous use of a trademark in Mexico or abroad is protected and can be enforced to challenge a registered trademark (3-year statute of limitation term applies after the publication of the latter) .</p>

### 3) Public Prosecutor is bound to prosecute IP criminal infringement ?

<p><b>ITALY:</b> Yes, in Italy criminal prosecution of IP infringement is <b>not discretionary, but compulsory</b>. Public Prosecutor has a precise duty to prosecute all infringements, this is compulsory. If during prosecution the PP realizes that there is no crime of infringement, the PP then can ask the instructing Judge for the procedure to be shelved. The IP owner can then file an opposition against shelving and request that the Judge order the PP to go ahead.</p>
<p><b>FRANCE:</b> No, in France criminal prosecution for IP infringement is discretionary, the PP will decide whether a prosecution should be brought in accordance with articles 40 and 40-1 of the Criminal Procedure Code.</p>
<p><b>UK :</b> No, the UK prosecutor always has a discretion as to whether to act.</p>
<p><b>POLAND:</b> No, as a rule, the entity which IP right was infringed need to file a criminal complaint.</p>
<p><b>BULGARIA:</b> the public prosecutor decides whether to prosecute the infringement, raising an accusation against the infringer depending on the evidences collected during the preliminary public investigation.</p>

<p><b><u>TURKEY:</u></b> Yes, in Turkey criminal prosecution of IP infringement is not discretionary, but compulsory, upon the IPR holder's valid complaint.</p>
<p><b><u>CHINA:</u></b> No, in China criminal prosecution of IP infringement it is not compulsory, but discretionary.</p>
<p><b><u>RUSSIA:</u></b> Yes, the public prosecutor is bound to prosecute all criminal cases. The public prosecutor will consider the complaint and may instruct the Police to deal with infringements described in the complaint. After receiving the public prosecutor's instructions, the Police will decide whether it is reasonable to initiate a criminal action. If a criminal action is initiated, the public prosecutor supervises the investigation and then may approve a letter of accusation drafted by the Police or send it back in case it is necessary to carry out an additional investigation or amend a draft. Having approved a letter of accusation, the public prosecutor will send the case files to the court. During the court proceedings, the public prosecutor represents the prosecution.</p>
<p><b><u>SWEDEN:</u></b> For copyright infringement, compulsory upon complaint filed by right holder provided the case is of general interest to the public, for the other IP-rights prosecutor must make assessment if the case is in the specific interest of the public.</p>
<p><b><u>SPAIN:</u></b> In theory, yes, in Spain criminal prosecution of IP infringement it is not discretionary, but compulsory because it is a public crime/offence. However, there are ways for the Courts to exclude the prosecution in some particular cases.</p>
<p><b><u>FINLAND:</u></b> In smaller criminal IPR offences – misdemeanors – indictment for the offence may only be brought by the PP at the request of the injured party. When IPR offence is done in a manner conducive to causing considerable financial loss to a right owner (+ regarding copyright when the infringement is also done for profit), PP may not bring charges for offences, unless the right owner reports it for the bringing of charges or unless a very important public interest requires that charges be brought. The PP always assesses the case and decides whether to bring the charges or not. If the PP decides not to bring charges, the right owner may bring charges to court himself.</p>
<p><b><u>PHILIPPINES:</u></b> Yes. The public prosecutor is bound to prosecute IP criminal infringement. A criminal action is instituted upon filing a complaint with the public prosecutor. Upon determination of existence of probable cause that an IP criminal infringement has been committed, the public prosecutor shall file a criminal Information against the accused with the special commercial court and shall direct and control the prosecution of the criminal action therein.</p>
<p><b><u>UNITED STATES:</u></b> No, the U.S. prosecutor has discretion as to whether to act. The responsibility to investigate and prosecute crimes in the United States rests in the executive branch of government. All federal prosecutors are part of the United States Department of Justice. The prosecution of federal criminal cases in each of the U.S. District Courts is the responsibility of the U.S. Attorney for that District. Each U.S. Attorney is appointed by the President and reports to the Attorney General. In addition, the criminal investigators generally are the Federal Bureau of Investigation (FBI), investigators of, and other Justice Department employees, are overseen by the Attorney General, and Customs is overseen by the Department of Homeland Security.</p>
<p><b><u>PERU:</u></b> The Public Prosecutor decides whether to prosecute the infringement, filing a criminal claim against the infringer depending on the evidences collected during the preliminary public investigation. However, all Prosecutors are bound to start criminal investigations when preliminary seizures and raids ex-officio occurred.</p>
<p><b><u>THE NETHERLANDS:</u></b> the Public Prosecutor has a discretionary power to prosecute criminal infringements. However, the decision not to prosecute can be contested at the appeal court. The Public Prosecutor will, in principle, only prosecute IP infringements if this serves the public interest (e.g. large scale counterfeit operations and health hazards).</p>
<p><b><u>MALTA:</u></b> Yes.</p>
<p><b><u>GERMANY:</u></b> No, the public prosecutor has a discretion as to whether to act.</p>

**MEXICO:** The investigation by Public Prosecutor is compulsory. However, depending on the evidence and specific circumstances, Public Prosecutor could decide whether to bring the case to a criminal judge or to close the case due to the lack of evidence. The latter could be appealed by the interested party.

**4) Public Prosecutor (PP) is a Magistrate  
or just a State Administrative Body?**

**ITALY:** Yes, PP is an instructing Magistrate.

**FRANCE:** The PP is an instructing Magistrate.

**UK:** No, PP is a separate person accountable to the Attorney-General.

**POLAND:** PP is a State Administrative Body.

**BULGARIA:** Yes, the PP is a Magistrate.

**TURKEY:** The PP is State Administrative Body.

**CHINA:** Yes, PP is a State Administrative Body.

**RUSSIA:** PP is a member of the unified central system of state bodies, which supervise law enforcement.

**SWEDEN:** PP is a State Administrative Body independent from the courts.

**SPAIN:** PP is a member of the Constitutional Body called “Ministerio Fiscal”, which is the one accusing in the name of the State. However, during the investigation phase, the one that prosecutes is the Instructing Magistrate who authorizes the police enquiries, interrogates the suspects, requests documents, etc..

**FINLAND:** The Finnish Prosecution Service is a state administrative body independent from the courts. The Finnish Prosecution Service consists of the Office of the Prosecutor General, which is the central office, and the local prosecution offices throughout Finland. The Prosecutor General serves as the supreme prosecutor and supervisor of the prosecutors. The prosecution service operates within the administrative sector of the Ministry of Justice.

**PHILIPPINES:** The public prosecutor is under the National Prosecution Service of the Department of Justice, an administrative body.

**UNITED STATES:** No, the U.S. prosecutor is a member of the Department of Justice.

**PERU:** PP is an organization of the Constitutional Body called “Ministerio Público”, which is the one accusing in the name of the Peruvian State. However, during the criminal investigation stage, the one that prosecutes is the Instructing Magistrate who authorizes the police enquiries, interrogates the suspects, requests documents, summons hearings, etc.

**THE NETHERLANDS:** Public prosecutor is a Magistrate, accountable to the Attorney-General and independent from the courts, police and government.

**MALTA:** The prosecution of cases is conducted by the Executive Police or by the office of the Attorney General according to circumstances.

**GERMANY:** PP is a State Administrative Body independent from the courts.

**MEXICO:** PP is a State Administrative Body, part of the Attorney General’s Office. As the nature of IP titles is federal, PP for this type of criminal cases is also federal.

**5) Are there differences between  
crime of IP infringement and civil infringement?**

**ITALY:** The criminal infringement is generally very similar to civil infringement. It is not necessary a *quid pluris* (*something more*), an act of piracy or something else. It is considered to be a criminal offence the violation either of the IP right or of the IP application. The criminal infringement can be literal or by equivalents, as in civil law. Good faith/bad faith can be an exception during the trial but normally not in the instructing phase before the PP. Basically, it is possible to proceed with criminal and civil actions at the same time, since the same violation of an IP right is or can normally be both a civil and a criminal offence.

**FRANCE:** Overall, criminal infringement is very similar to civil infringement. Some acts constitute a civil infringement but not a criminal infringement. For example, offences against well-known unregistered trademarks are only punishable under civil law and not criminal law.

**Good faith / bad faith**

For civil action, the good / bad faith of the offender is irrelevant; whereas under criminal law the bad faith of the offender (i.e. the intentional character of the offence) must be established.

The limitation of civil and criminal action

For civil action the civil action shall lapse after five years.

For criminal action, public action shall lapse after three years. In France the limitation for criminal action is now under discussion before the French parliament and should be extended from three to six years.

**UK:** the difference is that criminal acts are for bad cases. In trademark cases the goods must bear no relation at all to the trade mark owner (though our law at present is at variance with this in cases currently making their way through the court system).

**POLAND:** Not all civil infringements are also criminal infringements (for example the unauthorised use of someone's patent, model or design is not sanctioned by criminal law at all but entitles to bring a civil action).

It is possible to proceed with criminal and civil actions at the same time.

**BULGARIA:** The infringer in criminal cases can only be a natural person. In civil cases the infringer could a natural or legal person. There are no differences with regard to the infringement itself.

**TURKEY:** In general, criminal infringement is quite similar to civil infringement, as basically the Turkish IP Code considers "confusing similarity" (as well as identicalness) sufficient to try an infringement through criminal route. However in practice, the courts seek almost an identicalness to hear the case.

The criminal route is available to registered trademarks so long as the trademark is registered and there is no "loss of right due to acquiescence" where the civil claims can lapse if a considerable time has passed since the infringement was learnt.

In a civil infringement action, the defendant can set forth a plea and say that the registered brand was not in use, and in order not to lose the action the claimant should prove the serious use of the mark within the five years predating the court action's date. In criminal action, such plea is not available to suspects/accused.

<p><b>CHINA:</b> Yes, there are differences between crime of IP infringement and civil infringement in terms of evidentiary requirements, procedures, liabilities etc.. Basically, it is possible to proceed with criminal and civil actions at the same time, since the same violation of an IP right is or can normally be both a civil and a criminal offence.</p>
<p><b>RUSSIA:</b> In contrast to civil infringement, in order to initiate criminal proceedings, a right holder, depending on type of infringement, must prove that:</p> <ul style="list-style-type: none"> <li>• copyright: the offence caused gross damage (defined on a case-by-case basis) to an author or was committed on a large scale (RUR 100,000);</li> <li>• patents, models, designs: the offence caused gross damage;</li> <li>• trademarks: the offence caused gross damage (RUR 250,000) or had been committed repeatedly.</li> </ul> <p>It is also possible to proceed with criminal and civil actions at the same time.</p>
<p><b>SWEDEN:</b> A criminal infringement is at hand if the infringer has acted gross negligent. For civil liability, only negligence is required. Hence, it can be a civil infringement even if it does not reach the criminal level.</p>
<p><b>SPAIN:</b> The criminal infringement is generally very similar to civil infringement. However, in order to be considered a criminal infringement, bad faith on behalf of the infringement is necessary. In civil IP infringement, bad faith is not necessary.</p>
<p><b>FINLAND:</b> For criminal liability, the IPR infringement must be intentional. For civil liability the IPR infringement does not need to be either intentional nor negligent.</p>
<p><b>PHILIPPINES:</b> Yes, there are differences between the crime of IP infringement and civil infringement. One of them is quantum of proof required. Criminal IP infringement is required to be proven beyond reasonable doubt while civil cases for infringement only requires preponderance of evidence.</p> <p>There is also a difference in penalties between the two. Criminal infringement entails imprisonment and payment of fine, and may also include injunction and payment of damages, while civil infringement involves the reliefs of injunction and damages.</p>
<p><b>UNITED STATES:</b> Yes, there are differences between crime of IP infringement and civil infringement in terms of intent, willfulness, procedures, liabilities, and other evidentiary requirements. Criminal and civil actions in copyrights, trade secrets, trademarks may be brought at the same time; however a Judge has discretion to stay the civil proceeding in view of the criminal proceeding.</p> <p><u>Patents:</u> There are no criminal -- only civil -- penalties for committing patent infringement. However, there are some criminal and quasi-criminal penalties for certain conduct related to patents, as stated in item 1 above.</p> <p><u>Copyrights:</u> Criminal copyright law focuses primarily on the distribution and reproduction rights -- the only two rights for which the violation can be a felony offense subject to higher criminal penalties. See 17 U.S.C. § 506(a) and 18 U.S.C. § 2319. The majority of copyright case law is civil, rather than criminal, and it is permissible to use civil authority for guidance in criminal prosecutions. In this regard, civil precedent is often instructive to criminal copyright statutes. <i>See United States v. Wise</i>, 550 F.2d 1180, 1188 n.14 (9th Cir. 1977). Those convicted of criminal felony copyright infringement face up to five years' imprisonment and a \$250,000 fine.</p> <p>Certain states have adopted statutes (often known as "true names" or "true name and address" laws) that require distributors of copies of certain classes of works (generally recorded music or films) to identify on the copies themselves the name and address of the manufacturer or distributor of those copies. <i>See, e.g., Cal. Penal Code § 653w(a)(1)</i></p>

(unlawful to sell recordings state laws that do not “clearly and conspicuously disclose the actual true name and address of the manufacturer”); Ga. Code § 16-8-60(b) (unlawful to distribute recorded music or film unless copies bear true name and address of producer); Mich. Comp. Laws Ann. § 752.1053 (criminal offense to distribute recordings knowing they do not bear the true name and address of manufacturer); N.Y. Penal Law §§ 275.35, 275.40 (unlawful to commercially distribute recordings that do not bear true name and address of manufacturer or performer); Virginia Code § 59.1-41.4 (“Recorded devices” must show true name of manufacturer).

**Trademarks:**

The criminal trademark statute must provide additional proofs than in a civil action. Counterfeit trademark statute prohibits trafficking in goods or services that bear a counterfeit mark 18 U.S.C. § 2320 with higher penalties for trafficking in counterfeit drugs and certain counterfeit military goods or services. Individuals convicted of § 2320 offenses generally face up to 10 years’ imprisonment and a \$2 million fine. If the offense involved serious bodily injury, counterfeit drugs, or counterfeit military goods or services, individuals face up to 20 years in prison and a \$5 million fine.

**Trade Secrets:**

U.S law criminalizes two types of trade secret misappropriation: economic espionage, under § 1831, and trade secret theft, under § 1832. Sections 1831(a) and 1832(a) both require the government to prove beyond a reasonable doubt that: (1) the defendant misappropriated information (or conspired or attempted to do so); (2) the defendant knew or believed this information was proprietary and that he had no claim to it; and (3) the information was in fact a trade secret (unless, as is discussed below, the crime charged is a conspiracy or an attempt). See 18 U.S.C. §§ 1831(a), 1832(a). The common and distinct statutory language for both offenses, are below:

	<b>Section 1831(a) (Economic Espionage)</b>	<b>Section 1832(a) (Theft of Trade Secrets)</b>
(1)	The defendant knowingly misappropriated information (e.g., possessed, stole, transmitted, downloaded) (or conspired or attempted to do so)	Same
(2)	The defendant knew or believed this information was proprietary and that he had no claim to it	Same
(3)	The information was in fact a trade secret (unless conspiracy or an attempt is charged)	Same
(4)	The defendant knew or intended that the offense would benefit a foreign government, foreign instrumentality, or foreign agent	The defendant intended to convert the trade secret to the economic benefit of anyone other than the owner
(5)		The defendant knew or intended that the offense would injure the owner of the trade secret
(6)		The trade secret was related to a product or service used or intended for use in interstate or foreign commerce

<p><b>PERU:</b> Yes, there are some differences between IP crime infringement and civil infringement in terms of evidentiary requirements, procedures, deadlines, authorities, liabilities etc. For instance, the infringer in criminal cases can only be a natural person. In civil cases, the infringer could be a natural or legal person. Another difference is the authority who sanctions: in an IP crime infringement is the Court while in a civil infringement is the Peruvian Trademark or Copyright Office.</p> <p>However, there are no differences with regard to the infringement itself. The criminal infringement is generally similar to civil infringement. Therefore, it is possible to proceed with criminal and civil actions at the same time, since the same violation of an IP right is or can normally be both a civil and a criminal offence.</p>
<p><b>THE NETHERLANDS:</b> The main difference between criminal and civil IP infringements is that the first requires wilful misconduct. If there is no wilful misconduct, it is not considered to be a criminal offence. Without wilful misconduct, there could still be a civil IP infringement.</p>
<p><b>MALTA:</b> Yes – primarily the fact that for the purposes of criminal law the case must be proved (including proof of criminal intent) beyond reasonable doubt whereas civil responsibility does not depend on intent and the level of proof is on a balance of probabilities.</p>
<p><b>GERMANY:</b> The requirements for an infringement under civil and criminal law are largely identical, however, an IP crime requires intent (at least conditional intent). Under German trade mark law, if there is an infringement of a well-known mark or well-known business designation, a criminal infringement additionally requires specific intentions (e.g. the intention to take unfair advantage of the reputation).</p>
<p><b>MEXICO:</b> Conducts not considered as counterfeiting or trade secret's disclosure are prosecuted through administrative actions instead of civil actions.</p> <p>For administrative actions, good/bad faith of the offender is irrelevant; whereas under criminal law bad faith of the offender (i.e. the intentional character of the offence) must be established.</p> <p>Civil actions are only related to the claim of damages and lost profits derived from infringements. To bring a civil suit for damages and lost profits for patents, trademarks, designs and models, it is necessary to secure first a final and non-contestable administrative resolution whereby the infringement has been declared. In the case of Copyrights it is possible to go straight to a civil suit for damages without the need of securing a previous administrative ruling.</p>

<p><b><u>6) Does the criminal procedure also proceed ex officio?</u></b></p>
<p><b>ITALY:</b> Yes, Criminal actions can be started either by the IP Owner by the Police, by PP, or by Customs.</p>
<p><b>FRANCE:</b> Yes. Criminal actions can be started either by the IP Owner or by the PP. Customs can also act ex officio, notably on the basis of Article 38 of the French Customs Code.</p>
<p><b>UK:</b> Any person in the UK may prosecute even if they have no interest in doing so.</p>
<p><b>POLAND:</b> Yes, in certain situations, criminal procedure is initiated <i>ex officio</i>. For instance, where the infringer made a permanent source of income from infringement or commits the offence in relation to a good of significant value.</p>
<p><b>BULGARIA:</b> Yes, it can be started <i>ex officio</i>.</p>

<p><b><u>TURKEY:</u></b> No, criminal actions can only be started by the IP Owner. However, the criminal procedure is handled <i>ex officio</i> by Court and by Public Prosecutor later on.</p>
<p><b><u>CHINA:</u></b> Yes. Criminal actions can be started either by the IP Owner or by the Police or by Customs.</p>
<p><b><u>RUSSIA:</u></b> Yes. Criminal proceedings can be initiated either by the IP Owner or by the Police. Criminal proceedings in connection with appropriation of copyright (plagiarism) can only be initiated by the IP Owner.</p>
<p><b><u>SWEDEN:</u></b> Yes, that is possible however very rarely occur.</p>
<p><b><u>SPAIN:</u></b> Yes. Criminal actions can be started either by the IP Owner or by the Police or by Customs.</p>
<p><b><u>FINLAND:</u></b> When IPR offence is done in a manner conducive to causing considerable financial loss to a right owner (+ regarding copyright when the infringement is done for profit), PP may bring charges for offences also <i>ex officio</i> when a very important public interest requires that charges be brought.</p>
<p><b><u>PHILIPPINES :</u></b> Yes. The filing of intellectual property criminal cases is commenced by the filing of an information after the filing of a prior verified complaint by a complainant with capacity and authority to institute said criminal action. The complaint shall state the full name of the complainant, and it shall be accompanied by affidavits of the complainant and his witnesses as well as other supporting documents.</p>
<p><b><u>UNITED STATES:</u></b> Yes. Criminal proceedings can be initiated either by the IP Owner or the prosecutor. Prosecutors have wide discretion in criminal matters; a federal prosecutor may decline to prosecute an offense because he or she finds it not significant enough to merit prosecution or may decline prosecution of a minor offense if he or she considers that there is an acceptable alternative to prosecution, for example, restitution. Investigating agents may present their evidence to a state prosecutor (assuming the offense is one that may be prosecuted in state court), where, again, the state prosecutor has discretion to prosecute the offense or to decline prosecution.</p>
<p><b><u>PERU:</u></b> Yes. Criminal actions can be started either by the IP right owner, the Peruvian National Police (IP Police and other Departments, the IP Prosecutors or by Customs.</p>
<p><b><u>THE NETHERLANDS:</u></b> Criminal proceedings start typically <i>ex officio</i>, after criminal investigations of the police or customs, but can also start upon request of stake holders (such as the right holder).</p>
<p><b><u>MALTA:</u></b> Only when allowed by law.</p>
<p><b><u>GERMANY:</u></b> It depends. Under German trade mark law, for instance, criminal proceedings generally require that the proprietor demands prosecution and lodges a criminal complaint ("<i>Strafantrag</i>") – at least unless the PP comes to the conclusion that there is a special public interest in the criminal prosecution. However, if the offender acts on a commercial basis or as a member of a gang formed for the purpose of the continued commission of such offences, criminal proceedings can be initiated <i>ex officio</i>.</p>
<p><b><u>MEXICO:</u></b> Copyright criminal actions are handled <i>ex officio</i>, except those related to: (i) the publication of copies in excess of a work protected by the Copyright Law; and (ii) the publication of a work where the name of the author is changed to a third party's. Criminal actions related to Trademarks, Trade Secrets and Confidential Information can only be initiated by the IP owner (<i>ex-parte</i>).</p>

**7) If a settlement is reached,  
is it possible to dismiss, or abandon the case?**

**ITALY:** In case of a settlement, the criminal case may be dismissed and abandoned, with certain procedures.

Even if the crime is prosecutable *ex officio*, one can ask for the case to be shelved in the event of a settlement, with certain procedures.

The PP and the Judge has to agree to shelving.

**FRANCE:** In principle, a settlement has no impact on public action. At most, the parties could have a settlement on the amount of the damages. However, pursuant to Article 6 (3) of the French Criminal Procedure Code, when the prosecution is conditional on the filing of a complaint, the withdrawal of the complaint will lead to the extinction of the public action.

**UK:** Settlements which are dependent upon abandoning or stopping a criminal prosecution are not enforceable, though once stopped after the trial has started, the criminal proceedings cannot be re-started.

**POLAND:** No, but the settlement has a positive impact on the punishment.

**BULGARIA:** Yes, a settlement is possible but usually the infringer admits the fact of infringement.

**TURKEY:** Yes, if the IPR owner and the suspect/accused reach a settlement, the criminal case will be dismissed and abandoned, upon withdrawal of the criminal complaint by the former.

**CHINA:** In case of a settlement, the criminal case may be dismissed and abandoned, with certain procedures. If the crime is prosecutable *ex officio*, when public interest is at stake, settlement may not be possible.

**RUSSIA:** No. IP criminal infringements are considered public and private-public prosecution cases. Private-public prosecution means that criminal proceedings can only be initiated by the IP Owner, but as soon as a case is started, it cannot be settled.

**SWEDEN:** In criminal proceedings that is up to the prosecutor so a settlement does not really affect the criminal case.

In civil litigation normally yes, unless there is a claim for injunction under a penalty of fine. Then the court must still assess that issue since the injunction makes that part of the proceedings a litigation which the parties cannot dispose over, i.e. settle.

**SPAIN:** In Spain, IP crimes have a public character, which means that any agreement between the right holder and the infringement needs to be confirmed by the judge and the Public Prosecutor (Fiscal). On many occasions, the infringers compensates the right holder for the damages, the right holder withdrawals from the case but the Public Prosecutor decides to continue with the accusation.

**FINLAND:** When the PP has not yet brought charges in court, the right owner may withdraw his report for bringing of charges and the PP must not bring the charges in court unless a very important public interest requires that charges are brought. Once the PP has filed the charges in court, the right owner may withdraw only its civil claims but the PP can independently decide whether to continue with the charges or not.

**PHILIPPINES:** Yes, a settlement of civil liability can cause the dismissal of a criminal case only if the complainant and/or the witnesses withdraw their statements of accusation, and no other evidence can be presented to prove the guilt of the accused.

**UNITED STATES:** Yes, most criminal cases in the United States are concluded prior to any trial or even during trial by the defendant's entering a plea of guilty. Often, these guilty pleas are the result of negotiations between the prosecutor and the defense attorney. This process is called plea bargaining; the agreement is called a plea agreement or plea bargain. The prosecutor may agree to dismiss one or more of the charges, or may agree either to make a recommendation to the

<p>judge about the sentence to be imposed or not to oppose a sentence suggested by the defense counsel. The prosecutor's agreement binds the United States.</p> <p>A guilty plea must be made before a judge having a verbatim record of everything said in the proceeding before the court reporter. Before the judge will accept the guilty plea, he or she will question the defendant in open court to make sure that the defendant understands his or her right to plead "not guilty" and to demand a trial; that the defendant is pleading guilty voluntarily; that the defendant understands the terms of any plea agreement and the consequences of the guilty plea; that the defendant has not been subject to coercion or improper promises on the part of the prosecutor; and that there is a factual basis for the plea. If the judge is not satisfied by the defendant's responses to the questions, the judge will reject the defendant's guilty plea.</p>
<p><b>PERU:</b> IP crimes have a public character, which means that any agreement between the IP right owner and the infringer needs to be confirmed by the IP Prosecutor (Fiscal) or the IP Criminal Court. For this purpose, and if is not a repeat offender, the infringer has to admit the fact of the infringement and pay for a civil compensation for the damages committed (the amount can be agreed between parties, but Prosecutor usually tend to interfere and to state the amount).</p>
<p><b>THE NETHERLANDS:</b> A settlement has, in principle, no effect on the course of criminal proceedings as civil and criminal enforcement are independent from each other.</p>
<p><b>MALTA:</b> Yes, however when cases are prosecuted ex officio it is a trickier situation (in which case usually the injured party chooses not to testify or produce evidence).</p>
<p><b>GERMANY:</b> Not generally. In the case of an <i>ex officio</i> prosecution, it is not possible to stop the criminal prosecution based on a settlement between the parties. In the case of a prosecution initiated by a criminal complaint, the injured party can withdraw the criminal complaint. However, if the PP comes to the conclusion that there is a special public interest in the criminal prosecution, it will continue prosecuting the case.</p>
<p><b>MEXICO:</b> In <i>ex-parte</i> criminal actions it is possible to settle and grant the pardon to alleged offenders, having it dismissed and abandoned.</p> <p>For <i>ex officio</i> cases it is not possible to dismiss or abandon the same by granting a pardon or through a settlement. The case could only be dismissed or abandoned if the Public Prosecutor considers that there is no sufficient evidence or that no right has been affected.</p>

<p><b>8) <u>May the Criminal Judge annul an IP right (trademark, patent, copyright)?</u></b></p>
<p><b>ITALY :</b> The Criminal Judge can not annul an IP title in any case for lack of jurisdiction. The Judge can only eventually acquit the defendant at the end of the trial, but can not annul the IP title.</p>
<p><b>FRANCE:</b> The Criminal Judge can not annul an IP title. However, the defendant may challenge the validity of a title (except for plant breeder's certificate, pursuant to Article L. 623-33 of the French Intellectual Property Code) by way of a plea or with a counterclaim for a declaration of invalidity before this judge. He has, in principle, the power to rule on the question of the validity of the title if it is raised as a defense; the criminal judge would exonerate the defendant if the invalidity defense is successful but he can not annul an IP title.</p>
<p><b>UK:</b> There is no concept of an IP title in the UK.</p>
<p><b>POLAND:</b> No, even if the Criminal Judge issues an acquittal.</p> <p><b>BULGARIA:</b> No.</p>
<p><b>TURKEY:</b> No, the Criminal Judge cannot annul an IP title. The annulment of the IP Title can be requested from the Civil Judge (or the IP Office, if due to non-use, generic nature etc.).</p>
<p><b>CHINA:</b> The Criminal Judge can not annul an IP title in any case for lack of jurisdiction.</p>

<p><b>RUSSIA:</b> The Judge is not entitled to annul registered IP rights (trademarks, patents, models, designs). On the other hand, considering a copyright criminal infringement, the judge can decide that a particular item should not be entitled to copyright protection.</p>
<p><b>SWEDEN:</b> Annulment of an IP title is a separate proceeding.</p>
<p><b>SPAIN:</b> The same as Italy.</p>
<p><b>FINLAND:</b> No, IP rights can only be annulled in civil proceedings and thus in Finland only by the Market Court.</p>
<p><b>PHILIPPINES:</b> Yes. The special commercial court exercising jurisdiction over the criminal case for infringement may cancel the registration of an intellectual property title since the defense of invalidity of the IP title can be raised by the accused. The Intellectual Property Office, upon receipt of said court's final judgment reflecting said cancellation, shall register such fact.</p>
<p><b>UNITED STATES:</b> Yes, a Judge appointed under Art. III of the U.S. Constitution (e.g. Federal District, Appellate and/or Supreme Court) is entitled to annul registered IP rights patents, trademarks, and/or copyrights; the Art. III Judge's powers include presiding over criminal trials. On the other hand, certain civil proceedings (e.g. cancellation, etc.) may be pursued by a third party in the appropriate administrative body (US Patent Office (PTAB), Copyright Office, and/or U.S. Trademark Office (TTAB)).</p>
<p><b>PERU:</b> The Criminal Judge cannot annul an IP title in any case for lack of jurisdiction. The Judge can only eventually acquit the defendant at the end of the trial, but cannot annul the IP title.</p>
<p><b>THE NETHERLANDS:</b> No, a criminal judge cannot annul an IP title, but if the defence of invalidity of the violated IP rights is found to be likely this may lead to acquittal of the defendant.</p>
<p><b>MALTA:</b> No, a criminal judge cannot annul an IP title, but if the defence of invalidity of the violated IP rights is found to be likely this may lead to acquittal of the defendant.</p>
<p><b>GERMANY:</b> Same as Italy.</p>
<p><b>MEXICO:</b> A criminal judge is not entitled to annul or cancel an IP title. Only administrative or judicial authorities. With respect to Trademarks, Patents, Models and Designs, the competent authority is the Mexican Institute of Industrial Property. Regarding copyrights, the annulment of a registration granted by the Federal Copyright Institute is handled before Federal Civil Courts.</p>

**9) If the criminal seizure is not granted, are there any consequences?**

**ITALY:** If the criminal seizure is not granted, an opposable decision normally is not delivered and normally the accused person does not come to know it.  
One can usually resubmit the action, under some procedures and different circumstances.  
The complainer is not condemned to pay legal fees in case the seizure is not granted. The criminal court can not annul the IP title under any circumstances.  
The impossibility to annul the IP title, and the fact that the eventual rejection of the seizure does not lead to a decision of refusal and have no binding effects on the procedure, are remarkable peculiarities of the criminal procedure.

<p><b>FRANCE:</b> If the criminal seizure is not granted, there usually are no consequences. Under article 4 of the French Code of Criminal Procedure, the victim of an offence can bring a civil action, separately of the public action, before the civil court. Thus it is possible to proceed with criminal and civil actions at the same time or else a civil action only.</p> <p>However, there is an influence between both actions.</p> <p>Indeed, since both actions can be brought at the same time, there is some risk of conflict between both judgments. As a consequence, there are two fundamental rules:</p> <p><b>Stay of proceedings</b></p> <p>The civil court have to stay the proceedings in the event that public proceeding is brought before the criminal jurisdictions, on the same facts.</p> <p><b>The force of the res judicata effect of the criminal judgment on the civil judgment</b></p> <p>The criminal provisions are binding on the civil judge. According to current case law, this res judicata only affects facts which are the common basis of the civil and criminal action, or relate to the defendant's participation in the same acts (Cass. Crim., 21 March 2001, No. 00-85.597).</p>
<p><b>UK:</b> If criminal confiscation is not ordered the right owner can still apply to the civil court for confiscation.</p>
<p><b>POLAND:</b> If the criminal seizure is not granted, an opposable decision normally is not delivered and normally the accused person does not come to know it. The complainer may file an interlocutory appeal against a decision to decline to initiate an investigation. When annulling the decision to discontinue or to decline to initiate preparatory proceedings, the court specifies reasons thereof and, if necessary, also the circumstances to be clarified and procedures to be accomplished. Those instructions are binding on the public prosecutor. If the public prosecutor still does not see grounds for indictment, he reissues the decision to discontinue or to decline to initiate the proceedings. In such a case, the aggrieved party may submit an indictment. The aggrieved party should be advised of this right. The complainer is not condemned to pay legal fees in case the seizure is not granted.</p>
<p><b>BULGARIA:</b> Usually the goods are seized as evidences in the case. If not the suffered party may seek other options to seize, or continue the seizure of the goods, including administrative penalty actions.</p>
<p><b>TURKEY:</b> If the criminal seizure is not granted, it is possible for the IPR owner to oppose the decision once. The decision granted upon this opposition is final and non-challengeable. The public prosecutor renders non-prosecution decision is eventually the seizure cannot be granted. As there is no damage against the target, the complainer is not condemned to pay legal fees/compensation in case the seizure is not granted. Complaint can always be resubmitted.</p>
<p><b>CHINA:</b> Even if the criminal seizure is not granted, the other Chinese law enforcement authorities may take over and pursue the case.</p>
<p><b>RUSSIA:</b> After initiation of a criminal action, counterfeit goods may be seized by the Police as material evidence. Usually the Police do not notify an infringer about the seizure in advance.</p>
<p><b>SWEDEN:</b> It is the prosecutor who decides if a seizure shall take place and the ground for such decision is that the prosecutor considers the case being of general/specific interest to the public and hence, will open pre-investigation. If prosecutor decides not to open pre-investigation, tight holder must proceed with civil litigation.</p>
<p><b>SPAIN:</b> The same as Italy.</p>

<p><b>FINLAND:</b> The police and the customs have the pre-investigation powers in Finland and both police and customs may decide on criminal seizure. If no criminal seizure is made, the right owner may also file a civil claim in the Market Court and ask for seizure to secure evidence or seizure as a preliminary injunction. If the goods are seized as evidence it is done based on the Law on securing evidence in civil disputes concerning industrial property and copyright matters and only such amount of goods which can be needed as evidence is normally ordered to be seized, not all infringing products. If all infringing products shall be seized then the seizure order must be claimed as a preliminary injunction based on the Finnish Procedural Code.</p>
<p><b>PHILIPPINES:</b> There are no consequences to either the respondent or the complainant if seizure of the infringing goods is not ordered by the proper court. A seizure is effected pursuant to a search warrant applied for by the complainant and/or a police enforcement agency issued upon the finding of probable cause.</p> <p>If a seizure is not effected pursuant to a search warrant applied for by the complainant, this will not affect the filing of any criminal action against whom the search warrant was initially directed. The main criminal procedure for IP infringement is independent from the proceedings to obtain a search warrant and effect a seizure.</p>
<p><b>UNITED STATES:</b> If the criminal seizure is not granted, there usually are no consequences. The rights holder may seek other options to seize, or continue the seizure of the goods, for example, administrative actions before the International Trade Commission (ITC) and customs.</p>
<p><b>PERU:</b> No. If the criminal seizure is not granted, an opposable decision normally is not delivered and normally the accused person does not come to know it. One can usually resubmit the action, under some procedures. The complainer is not condemned to pay legal fees in case the seizure is not granted. The criminal court cannot annul the IP title under any circumstances.</p>
<p><b>THE NETHERLANDS:</b> If criminal seizure is not ordered, the right holder can still apply to the civil court for confiscation.</p>
<p><b>MALTA:</b> If criminal seizure is not ordered, the right holder can still apply to the civil court for confiscation.</p>
<p><b>GERMANY:</b> If a criminal seizure is not granted, the right owner can still bring a civil action before the civil court. The civil courts are not bound by the decisions of the PP/the criminal judge.</p>
<p><b>MEXICO:</b> If the criminal seizure, as a precautionary measure, is not granted, the goods will be at the disposal of the alleged offender.</p> <p>The IP holder can appeal the decision denying the criminal.</p>

**10) How long does the criminal proceeding in precautionary stage last for?**

<p><b>ITALY:</b> Preliminary investigations normally starts with probationary seizure. Seizure is intended either to acquire evidences of infringement (seizure of goods, manufacturing machineries, drawings thereof, and accounting books) or to prevent it.</p> <p>The PP and the Judge decide very quickly, without convening the counterpart (the accused/person under investigation), in a few days or in a few weeks, usually.</p> <p>This is an <i>ex parte</i> proceeding (the accused person is not heard).</p>
<p><b>FRANCE:</b> Generally, criminal proceedings are initiated by the PP, after a period of investigations. After this period of investigation, the public prosecutor freely decides on public prosecution under the discretionary power principle. This phase of pre-trial is of a varying duration, depending on the complexity of the case but always within a reasonable period.</p>
<p><b>UK:</b> there is no process corresponding to the precautionary stage. When investigations are carried out the suspect may be interviewed and asked questions built there are no time limits.</p>

<p><b><u>POLAND:</u></b> Theoretically the criminal proceeding in precautionary stage may take up to 2 months. The public prosecutor may extend this period up to 3 months and, in particularly justified cases, for further specified term. In practice, the public prosecutor usually extends this period so it takes much longer than 3 months.</p>
<p><b><u>BULGARIA:</u></b> depends, it may take months.</p>
<p><b><u>TURKEY:</u></b> The precautionary stage for criminal matters is usually very fast. It usually takes a day or two for the PP to review the complaint and the evidence and the criminal judge to grant the seizure decision, under normal circumstances. If the PP believes that the matter necessitates further investigation prior to the raid, he/she can instruct the police – which may cause a delay, for around a week tops mostly. The pre-trial phase that follows the raid action usually takes around 2-3 months, depending on the complexity of the case.</p>
<p><b><u>CHINA:</u></b> There was not a “precautionary stage” in the criminal proceeding in China.</p>
<p><b><u>RUSSIA:</u></b> A notice about a committed crime should be considered by the Police within 3 days. This term can be extended by the head of an investigating authority to 30 days. After considering the notice, the Police may initiate criminal proceedings and start a pre-trial investigation, which should be carried out within 2 months. The term of pre-trial investigation can be extended to 12 months.</p>
<p><b><u>SWEDEN:</u></b> Depends on if defendant is arrested in the meantime or not. Normally, it is the pre-investigation that takes time. Once it is prepared, the handling of the case in court is quite quick. In counterfeit cases, the pre-investigation may take a year or two at the best.</p>
<p><b><u>SPAIN:</u></b> The same as Italy. It is important to note that Article 324 of the Spanish Law on Criminal Procedure has been amended and now the so-called instruction phase can last a maximum of 6 months. However, the instruction can be declared complex by the judge. In this case, the term is extended to 18 months, which can be extended if necessary.</p>
<p><b><u>FINLAND:</u></b> As in Sweden the pre-investigation can take time, months or sometimes even years. According to the Law on criminal proceedings if the defendant is under 18 years old, PP must make the decision whether to press charges urgently and if he decides to press charges, that needs to be done without delay. Other than the situations where the defendant is under 18 years old there are no exact rules on how fast PP must act. In practice, it depends on how extensive the pre-investigation material is and thus how fast PP can decide whether to press charges or not.</p>
<p><b><u>PHILIPPINES:</u></b> The preliminary investigation commences upon filing of a complaint with the Office of the Prosecutor that has territorial jurisdiction over the offense charged. The investigating prosecutor conducts an administrative hearing requiring the complainant and the respondent to submit their respective evidence through the submission of affidavits from both parties and conducting clarificatory hearings.<sup>1</sup> Thereafter, the investigating prosecutor shall determine if there is an existence of a probable cause that a criminal IP infringement has been committed. A preliminary investigation may take longer than a year.</p>
<p><b><u>UNITED STATES:</u></b> There is no “precautionary stage” in the criminal proceeding in U.S. Early phase of the case typically includes expedited procedure to secure the counterfeit goods and/or misappropriation of trade secrets. The remainder of the case may take many months, trial, and sentencing.</p>

<sup>1</sup>Section 2, Rule 12 of A.M. No. 10-3-10-SC, otherwise known as the “Rules of Procedure for Intellectual Property Cases.”

<p>Timing of any expedited procedure (e.g. <i>ex parte</i> proceedings counterfeit seizures trademarks, trade secrets, etc.) involves the accusing party initiating the complaint, the investigative agency, the prosecutor and the Judge who can decide very quickly, without convening the accused counterparty (the accused/person under investigation), in terms of days and/or weeks.</p>
<p><b>PERU:</b> According to our Criminal regulations, the preliminary inspections and seizures may performance without a Court or Prosecutor's decision (ex-officio by the Police). However, if a IP right owner files a claim and requests a seizure, the precautionary stage usually takes a week for the PP to review the document and evidences. After that, the Prosecutor coordinates with the Police to state a date to do the raid, according to their workload. If the PP believes that the matter necessitates further investigation prior to the raid, he/she can instruct the police – which may cause a delay. In addition, if the seizure should performance in a private property (such as clandestine workshops), is necessary that the criminal judge grants a search warrant to proceed. Therefore, the phase before the raid action may take around 2-3 months, depending on the complexity of the case.</p>
<p><b>THE NETHERLANDS:</b> Precautionary measures can be taken by the PP and the courts whenever they think it to be appropriate. As such there are no time limits applicable and it very much depends on difficulties experienced during the criminal investigations how much time this stage will take. However, the principle of due process has to be respected.</p>
<p><b>MALTA:</b> This depends very much on a case-by-case basis.</p>
<p><b>GERMANY:</b> Just like in France, criminal proceedings in Germany are initiated by the PP, after a period of investigations usually conducted by the police based on the PP's instructions. After this period of investigation, the PP decides whether or not it wants to bring the case to court. The duration of the pre-trial phase varies, depending on the complexity of the case and what investigative measures need to be taken.</p>
<p><b>MEXICO:</b> Instead of a precautionary stage, there is an investigation phase. The law does not state specific terms or limits to complete such stage. Sometimes it could take several months.</p>

**11) Are there possible risks to promote a criminal prosecution?**

<p><b>ITALY:</b> The law states that anyone who undergoes an infringement (a crime) has the right to see the offense ceased. The prosecution can start even without complaint, given that a crime must be eliminated for the safety of the community. The subject protected is not only the right holder, but also the community. Therefore, those who proceed with criminal action do nothing but exercise a "mandatory" right. The action of course must be promoted advisedly. Those who take legal actions do complain about a violation of their rights. The law establishes sanctions only if «<i>anybody promote a criminal action knowing with certainty that the counterparty is innocent</i>». Therefore, in case of reasonable doubt, one can proceed. One should not file a complaint only if he is fully aware of the innocence of the counterfeiter.</p>
<p><b>FRANCE:</b> The action has to be initiated in good faith. In the negative the plaintiff could be sued for slander (Article 226-10 of the French Criminal Code). Contrary to civil actions, there is no criminal court with judges specialized in IP law. Criminal offences require the claimant to demonstrate that the defendant was aware of the infringement and acted voluntarily in bad faith. If a legal assumption exists that infringer acted in bad faith, such assumption can be challenged so that the infringer can demonstrate that he, in fact, acted in good faith. No interim relief proceedings.</p>
<p><b>UK:</b> yes a person who co promotes a criminal prosecution (whether as a prosecutor or a person making a complaint) can be sued for malicious prosecution if the prosecution is unsuccessful.</p>

<p><b><u>POLAND:</u></b> Whoever reports a crime or a fiscal crime to a law enforcement authority responsible for prosecuting crimes, knowing that no crime has been committed, is subject to a fine, the penalty of limitation of liberty or the penalty of deprivation of liberty for up to 2 years.</p>
<p><b><u>BULGARIA:</u></b> No, in case of reasonable evidences for permitted crime.</p>
<p><b><u>TURKEY:</u></b> No - provided that the action is started good faith, there is no risk associated with promoting the criminal prosecution.</p>
<p><b><u>CHINA:</u></b> It is basically the same case as in Italy.</p>
<p><b><u>RUSSIA:</u></b> A complainer can be held liable if he intentionally files a false complaint or if during a prosecution he intentionally disseminates false information which is harmful to the reputation of a prosecuted person.</p>
<p><b><u>SWEDEN:</u></b> same principle as Italy apply.</p>
<p><b><u>SPAIN:</u></b> The complainant could be sentenced to bear the proceeding expenses when the Judge rules that he has acted not in good faith. . On certain occasions, when the right holder accuses someone of counterfeiting and the goods prove to be genuine, he may be prosecuted for false accusations.</p>
<p><b><u>FINLAND:</u></b> If the right owner has given a false denunciation or otherwise in purpose caused the charges to be pressed, he may be order to compensate certain costs to the Finnish state.</p>
<p><b><u>PHILIPPINES:</u></b> As a general rule, a complainant cannot be held liable for filing a complaint that is eventually dismissed, as every person has the right to seek redress for grievances from the proper courts. However, the accused may claim damages in a civil case for malicious prosecution if the complainant maliciously and deliberately instituted the action with the knowledge that the charges were false and without basis. The following must be shown: (1) that the complainant caused the prosecution in the criminal complaint; (2) that the criminal action was dismissed or the accused was acquitted; (3) that there is no probable cause; and (4) that the complainant was impelled by malice.</p>
<p><b><u>UNITED STATES:</u></b> Yes. Federal law, and most state laws, has misuse of proceedings and/or criminal perjury statutes. A court may set aside a verdict, assess fees and sanctions for, for example, evidence fabricated prior to the start of the litigation, forged documents and perjured testimony based on the fraudulent evidence and forged documents. The court has discretion to impose criminal liability on a complainant who has defrauded the opposing party, the court or has committed perjury — even when the perjury takes place in a civil context.  Misuse of a civil or criminal proceeding for the purpose of benefitting the other proceeding, however, in addition to being improper, may jeopardize the criminal proceeding (e.g. affirmative misstatements of fact or law, conduct involving dishonesty, fraud, deceit, or misrepresentation, or impermissible communications with represented persons).  Misuse of a civil or criminal proceeding for the purpose of benefitting the other proceeding, however, in addition to being improper, may jeopardize the criminal proceeding (e.g. affirmative misstatements of fact or law, conduct involving dishonesty, fraud, deceit, or misrepresentation, or impermissible communications with represented persons).</p>
<p><b><u>PERU:</u></b> According to Peruvian criminal regulations, preliminary inspections and seizures could be made through a claim filed by the IP right owner or ex-officio. In the first case, owners do not have risks to promote criminal actions while the claims filed are accepted by the Prosecutor (because there are reasonable evidences and an IP title valid). In the second case, these actions could be done by authorities (such as the Police) that must made sure that the brand or logo used on the goods is identical or similar to a trademark duly registered. If not, they could face charges for misfeasance.</p>
<p><b><u>THE NETHERLANDS:</u></b> There is no risk in promoting criminal prosecution unless this is requested on false grounds (which can lead to a fine of up to € 8.200,- or imprisonment of up to one year).</p>

**MALTA:** This would depend on the circumstances of a case. One should exercise caution and due diligence so as to avert any potential counteraction for the event of a criminal case being lost.

**GERMANY:** Promoting a criminal prosecution may constitute a punishable offence if done against one's better knowledge.

**MEXICO:** The possible risk that could arise in case a criminal action is initiated without grounds or on a frivolous basis is that the alleged offender could initiate civil actions in which moral damages or damages could be claimed.

Slandering is not a felony but it is considered an illicit conduct, thus, a civil action for damages could be brought.

## 12) How to begin a criminal proceeding and relation with civil proceedings

**ITALY:** Prosecutions begin with the compulsory request by PP of search (Raid) and criminal seizure, in order to obtain the seizure of infringed goods, the means of production, the accounting books, copies of invoices of sales, the internal correspondence and drawings of the company with customers and suppliers.

This means that a civil parallel trial, since its start may acquire all the evidences of the infringement, the turnover of purchases and sales and also the evidence of the intentionality of the conduct, including the correspondence with accomplices, which often also shows the path that led to the infringement and its reasons.

**FRANCE:** Generally, prosecutions begin with an investigation phase and criminal seizure. This phase will allow the PP to take his decision on public action. Thus, in principle, the PP decides whether to start the proceedings or not. However, under certain conditions, the law also grants this right to the victim of the offence or to some administrations (for example Customs).

In order to bring an action, in particular for compensation, the victim can decide to go before the criminal or the civil court. This choice is irrevocable, as a result of the principle: «*electa una via, non datur recursus ad alteram*». Thus, a parallel civil action can be started only if both actions have a different object, cause and aim.

**UK:** the method is to file a complaint with the magistrates' court. If civil proceedings are also taking place then they are usually stayed pending their criminal proceedings.

**POLAND:** The criminal proceeding may begin by the police or public prosecutor (*ex officio*) or needs a previous criminal complaint of sufferer (in particular in case of infringement of copyright or trademark).

While sentencing, the criminal court may impose, and upon the motion of the sufferer is obliged to impose, the obligation to redress the full damage inflicted by a crime, or to redress part of it.

**BULGARIA:** Notify the public prosecutor. It is not usual that both civil and criminal actions are initiated simultaneously. The civil court will most probably stay the civil actions until a decision of the criminal court is taken.

**TURKEY:** Criminal proceeding starts with the complaint of the IPR owner or their local representative. PP examines the complaint, requests a search and seizure warrant from criminal court if he/she believes that the complaint is well founded and there is evidence of the criminal act that raises a "reasonable doubt" (for urgent matters, she/he can order the seizure and had the decision approved by the criminal court afterwards). If Court agreed with the PP, it grants a warrant and the PP charges police for the raid action. This preparation phase is usually handled by the IPR owners, their investigators, local agents and such. In rare circumstances, where the police determines the IP related crime during the investigations on another crime (such as smuggling), the police may get in touch with the PP and request an order to take action – which should immediately be backed up with the right owner's proper complaint. Otherwise, the PP cannot take further action.

The parallel civil action (with or without PI claim) can also be taken – and in fact it is quite important if compensation is requested by the IPR owner. The evidence in the criminal file is bounding for the civil court.

**CHINA:** Prosecutions begin with the right holders' request of search and criminal seizure or ex officio action, in order to obtain the seizure of infringed goods, the means of production, the accounting books, copies of invoices of sales, the internal correspondence of the company with customers and suppliers. This means that a civil parallel trial, since its start may acquire all the evidences of the infringement, the turnover of purchases and sales and also the evidence of the intentionality of the conduct, including the correspondence with accomplices, which often also shows the path that led to the infringement and its reasons.

**RUSSIA:** In order to begin criminal proceedings, an IP owner may submit a notification about the crime to the PP or Police.

If the notification is submitted to the PP, the public prosecutor will consider the complaint and may instruct the Police to deal with the infringements described in the complaint.

If the notification is submitted to the Police, the Police will decide whether it is reasonable to initiate a criminal action and start a pre-trial investigation.

As far as most IP criminal infringements are considered public prosecution cases, the Police are entitled to start a criminal action at their own initiative.

**SWEDEN:** more or less similar as Italy. It is possible to file and add a civil claim for damages in a criminal proceeding as well as an injunction.

**SPAIN:** The same as Italy. However, in Spain the law provides that when there is a criminal case ongoing, it is not possible to bring a civil case for the same facts until the criminal case has ended (prejudicialidad penal). Therefore, it is important to decide the legal course of action to follow from the beginning. The award of damages can be reserved for the civil Courts, at the petition of the claimant.

**FINLAND:** Criminal proceedings in IP cases start with a right owner's request for criminal investigation either to the police or to the customs. The police/customs make the preliminary investigation and based on the information they find they decide whether to make a request for PP to press charges. The police/customs hear the right owner during the preliminary investigation and the right owner shall inform whether it claims for punishment and whether it has civil claims such as compensation claim, claim for destruction of the infringing products etc. If the PP decides to press charges PP files the case in court. If the right owner does not have any damage claims, it is not necessary for the right owner to be present in the court hearing and the PP will handle the criminal claims and claims for destruction also on behalf of the right owner. However, if the right owner has also compensation and damage claims the right owner must present himself those claims in court.

**PHILIPPINES:** The institution of intellectual property criminal cases is by the filing of an information subsequent to the filing of a prior verified complaint. Said complaint is filed with the Department of Justice or office of the prosecutor that has jurisdiction over the offense charged and triggers a preliminary investigation. The complaint can be supported by evidence obtained from a search and seizure proceeding initiated separately or from evidence obtained by complainant independently. Within ten days after the filing of the complaint, the investigating prosecutor, on the basis of the same and the affidavits and other evidence accompanying it, may dismiss the case outright for lack of basis. The investigating prosecutor may likewise issue an order to the respondent requiring the submission of a counter-affidavit or affidavits of respondent's witnesses, in addition to other pertinent documentary evidence. The investigating prosecutor may thereafter set a hearing if there are issues and facts that necessitate clarification. Afterwards, the investigating prosecutor shall determine whether or not there is sufficient ground to hold the respondent for trial. Upon finding of probable cause, the investigating prosecutor shall file an information before the special commercial court having jurisdiction over the case.

<p><b>UNITED STATES:</b> The prosecutor has discretion to bring a criminal proceeding based on the evidence. The criminal proceeding may be initiated by the rights holder notifying the state and/or federal investigation authority, prosecutor, or Attorney General and requires a written investigation and/or complaint. The rights holder may notify police and/or the FBI with jurisdiction in counterfeiting crimes, and may coordinate with the seizing agency (e.g. Customs (U.S. Department of Homeland Security)). Seizure and destruction may occur based on circumstances including storage and requirements of the case to prove criminal “count” in the proceeding. While sentencing, the criminal court may impose, and upon the motion of the sufferer is obliged to impose, the obligation to redress the full damage inflicted by a crime, or to redress part of it.</p>
<p><b>PERU:</b> Prosecutions begin with the request of preliminary inspection and seizure included on the claims, in order to seize the goods, among other evidences (the means of production, the accounting books, copies of invoices of sales, the internal correspondence of the company with customers and suppliers). This means that a civil parallel procedure (before the Peruvian Trademark or Copyright Office) can be started with an administrative claim, since its start may acquire all the evidences of the infringement, the turnover of purchases and sales and also the evidence of the intentionality of the conduct, including the correspondence with accomplices, which often also shows the path that led to the infringement and its reasons.</p>
<p><b>THE NETHERLANDS:</b> Criminal proceedings start with criminal investigation by police or customs on the basis of information they received (leads, tips, requests of stake holders, etc.). PP can take precautionary measures if found appropriate to preserve evidence and decides whether a case will be brought before the courts. Criminal proceedings does not prevent the right holder to start action before a civil court (ex parte or inter partes). Criminal and civil proceedings are independent from each other. A civil decision can serve as evidence in criminal proceedings while a decision of a criminal court that has become res iudicata is binding for a civil court.</p>
<p><b>MALTA:</b> Criminal proceedings commence with a criminal investigation conducted by the police authority on the basis of information received (leads, tips, requests of stake holders, etc.). For offences requiring a formal criminal complaint, it is advisable to file a written complaint to that effect. Criminal proceedings and related civil proceedings proceed independently of one another.</p>
<p><b>GERMANY:</b> Generally, prosecution begins with an investigation phase (which may include seizure), initiated either upon the victim's application or (rarely) ex officio. This phase will allow the PP to decide whether or not he takes the case to court. The victim is free to initiate civil proceedings in parallel. If both civil and criminal action is brought in parallel, it is common that the court that was involved later stays the proceedings and lets the court that was involved first take a decision (the court staying the proceedings may be the criminal or the civil court, depending on the chronology).</p>
<p><b>MEXICO:</b> Criminal proceedings may be initiated <i>ex officio</i> or <i>ex parte</i>. In the event of <i>ex parte</i>, a complaint by the IP owner must be filed. Public Prosecutor will study and analyze the complaint and may instruct the police to deal with the criminal conducts described in the complaint. Once the investigation is concluded, police will provide a report to the Public Prosecutor who will decide if there are sufficient elements and whether it is reasonable to initiate a criminal action. With respect to Copyrights, it is not necessary to (i) initiate an infringement or (ii) secure an infringement decision, to initiate a civil action in which damages are claimed. Thus, it is possible to carry out a civil parallel trial. Regarding industrial property rights (i.e. patents, trademarks, designs and models), it is necessary to secure first a final and non-contestable infringement decision to initiate a civil action claiming damages.</p>

### 13) Validity of the IP right and criminal action

**ITALY:** A special feature of the criminal protection is that, in general, the current and substantial validity of the title is not required at least in the phase of discovery and seizures.

In fact, the criminal protection is independent from the actual substantial validity of the IP title (in compliance to Supreme Court's decisions).

In case of annulment of a title, the criminal protection remains for the facts of infringements which have already occurred during validity: the nullity is not retroactive in criminal law, except for some aspects.

If the title is cancelled in a civil trial, generally one can proceed for the infringements already occurred, depending on some circumstances.

The above during discovery and seizure proceedings. During Trial exception of invalidity may be assessed only to eventually acquit the accused person.

**FRANCE:** The validity of the IP right is a preliminary condition to any criminal action for infringement.

Generally, the first defense of the defendant is the defense of invalidity of the title. PP has, in principle, the power to rule on the question of the validity of the title if it is raised as a defense. However, he can not annul a title.

**UK:** the right must be valid but the criminal court has no power to decide that question. A defendant who claims that the IP right is invalid must apply to stay the criminal case and apply to the civil courts or relevant authorities to have the right held invalid.

**POLAND:** There is no crime without valid IP right. When the IP right turned out to be invalid then it will be a ground for reopening the final and binding judgment of the Criminal Court.

**BULGARIA:** the validity of the title is important to have a criminal action. If the right is cancelled – it is always retroactively – either from the moment of filing the application, or 5 years prior to the revocation action, the criminal action develops accordingly.

**TURKEY:** The complaint must be based on a registered right, that is valid at the time of the complaint.

**CHINA:** It is basically the same case as in Italy.

**RUSSIA:** In order to proceed with criminal action, a complainer should prove that he is a right holder. Annulment of a registered IP title means that such title is invalid from the moment of filing an application to the PTO. Therefore, taking into account its retroactive nature, annulment of an IP title may entail termination of criminal proceedings.

In case a trademark is annulled on the basis of a non-use claim, an IP owner can still initiate criminal proceedings on infringements occurred during the validity period, as far as the non-use annulment is not retroactive.

**SWEDEN:** The claimant must have a valid IP right at the time of the complaint. Within the framework of the following proceedings in court, the defendant can contest the validity of the IP-right, which then must be tried by the court. Should there be no valid IP-right, then no crime is committed if that is the only ground for the crime.

**SPAIN:** Regarding this matter, we have already stated that the IP register has to have been granted in the moment on which the facts considered a crime occurred. The claimant has to prove (i) that he has a valid IP right to claim and (ii) that the infringer was aware – or should have been aware- of the existence of this right.

**FINLAND:** The IP right must be valid that an IP crime can exist. An IP rights is considered to be valid until it is cancelled or annulled. If the cancellation / annulation proceedings are started during the criminal proceedings, the criminal proceedings could be asked to be stayed but it is not clear whether the court would agree to such a request. If the IP right is annulled so that the IP right was not in force at the time of the crime, then the criminal judgment must be annulled. If the defendant

has been ordered imprisonment because of the IP crime and said IP was annulled, the defendant is entitled to get compensation from the Finnish state for the days spent in prison without reason.

**PHILIPPINES:** In an action for patent infringement, the defendant/accused, in addition to other defenses available to him, may show the invalidity of the patent, or any claim thereof, on any of the grounds on which a petition for cancellation may be brought. Thus, the invalidity of the patent will nullify the criminal action.

In an action for trademark infringement, the subsequent removal of the mark from the register due to non-filing of a Declaration of Actual Use or the lapse of the registration due to failure to file a renewal shall not nullify the criminal action as long as a valid registration was subsisting at the time of the commission of the crime.

**UNITED STATES:** In order to proceed with criminal action, a right holder (complainant) provides evidence of the valid IP right, statements and testimony at trial. Prosecutors and investigators usually consult with the victim to identify which elements were registered as marks and which may have been counterfeited and infringed.

Trade Secrets:

The rights holder participates with the prosecutor and investigative agency by identifying what is the trade secret and the number of trade secrets, witness to testify depending on the nature of the trade secret economic value, and the trade secret's owners reasonable measures taken under the circumstances to keep the information confidential. See 18 U.S.C. § 1839(3)(A). Prosecutors and investigators will consider the measures the victim used to protect the trade secret as a critical component of the case or the decision not to prosecute.

Copyrights:

Certificates of copyright registration should be obtained from the victim. As above, the copyright registration certificate is not mandatory so long as the government can present sufficient evidence of a valid copyright to satisfy a probable cause standard, a lack of a copyright registration or certificate should not be an impediment to obtaining search warrants, grand jury subpoenas, and even indictments.

Trademarks:

Federal registration is a jurisdictional element. The victim's mark must have been registered on the principal register in the United States Patent and Trademark Office ("USPTO"), 18 U.S.C. § 2320(f) (1)(A)(ii), unless the case involves the Olympic symbols. Under 18 U.S.C. §2320(f)(1)(A), a counterfeit mark is a spurious mark that is "identical with, or substantially indistinguishable from," a federally registered mark. This standard is based on the same standard set forth in the Lanham Act, 15 U.S.C. § 1127. Overrun goods are exempt from the definition of counterfeit by § 2320(f)(1) and that the defendant bears the burden of proving the goods at issue are overrun. Prosecutors cannot bring a charge under § 2320 for repackaging genuine goods with reproduced trademarks if the defendant did so without deceiving or confusing others. *United States v. Hanafy*, 302 F.3d 485 (5th Cir. 2002).

Unlike civil counterfeit trademark law, § 2320(f)'s definition of "counterfeit mark" expressly requires the government to prove that a defendant used their counterfeit mark on the same class of goods on which the trademark owners use their genuine, federally registered marks. For example, the government can only bring a case under § 2320(f)(1)(A)(i)-(iii) where the class of goods are identical: a "counterfeit mark" by definition requires the government to show that the defendant's mark is "used in connection with trafficking in any goods [or] services," "identical with, or substantially indistinguishable from, a mark registered on the principal register in the [USPTO]," and "used in connection with the goods or services for which the mark is registered with the [USPTO]."

Note: A party cannot be charged under §2320 if the victim's mark was only registered on the USPTO's Supplemental Register, recorded with Customs, registered with state agencies, or protected at common law. Prosecutors may use alternate charges such as mail fraud, wire fraud, or state or local trademark charges; however, if a §2320 charge is unavailable because the mark was not registered on USPTO's principal register.

<p><b>PERU:</b> The claim must be based on a registered right, that is valid at the time of the filing. The validity of the IP right is a preliminary condition to any criminal action for infringement. Therefore, the IP right owner only has to prove the validity of his IP title. The knowledge of the existence of this right is not a necessary because the IP register is public.</p>
<p><b>THE NETHERLANDS:</b> The rights must be valid, but the criminal courts do not have the power to decide on validity, but if the defence of invalidity of the violated IP rights is found to be likely this may lead to acquittal of the defendant.</p>
<p><b>MALTA:</b> The rights must be valid, but the criminal courts do not have the power to decide on validity, but if the defence of invalidity of the violated IP rights is found to be likely this may lead to acquittal of the defendant.</p>
<p><b>GERMANY:</b> The IP right must be valid. If it turns out that an IP title was invalid at the time the infringement occurred, the criminal case can be reopened.</p>
<p><b>MEXICO:</b> The validity of the IP right is a preliminary condition for a criminal action. The Public Prosecutor or criminal courts do not have authority to determine the validity of an IP right. A Defendant who believes that the IP right is invalid must bring an action before the Mexican Institute of Industrial Property or civil courts to have it annulled or invalid and apply to stay the criminal case. With respect to Copyrights, it is not compulsory to have a registration. However, it is necessary to evidence ownership.</p>

**14) If the infringement occurs abroad,  
can one file his complaint in Italy/France etc.?**

<p><b>ITALY:</b> Jurisdiction of criminal Court exists in many cases, as long as the accused person is Italian, or as long as the victim is Italian. Therefore, if for example the counterfeiting takes place in the US or China, subject to above conditions and some procedures, one can proceed with criminal action in Italy, without the need to file the action in China or the US. Even in case of foreign IP title violated abroad, one can proceed with prosecution in Italy. Therefore jurisdiction under Criminal law is much broader than in civil Law.</p>
<p><b>FRANCE:</b> Intellectual property rights are subject to the principle of territoriality and the Criminal judge is competent whenever the offence or part of it took on the territory of the French Republic. The main criterion is to know whether there is a connecting link between the infringement and the French territory.</p>
<p><b>UK:</b> Yes if it is a civil complaint. No if it is criminal.</p>
<p><b>POLAND:</b> A Polish criminal statute applies to an alien who has committed abroad a prohibited act against the interests of a Polish citizen, a Polish juridical person or a Polish organizational entity without a legal personality, and also to an alien who has committed abroad a crime of terrorist character. Liability for an act committed abroad is applicable only if this act is also recognized as a crime by the statute being in force in the place of the commission of the act. However, notwithstanding the provisions being in force in the place of the commission of a prohibited act, a Polish criminal statute applies to a Polish citizen or an alien who has committed a crime from which even an indirect material benefit has been derived in the territory of the Republic of Poland.</p>
<p><b>BULGARIA:</b> not for Bulgarian IP rights, which are valid for Bulgaria.</p>
<p><b>TURKEY:</b> IP rights are subject to the principle of territoriality so far as criminal offenses are concerned as well. Therefore, so far as the crime is not committed in Turkey or its territory elsewhere, it cannot be prosecuted by Turkish PPs and courts.</p>

<p><b>CHINA:</b> Criminal jurisdiction exists in many cases, as long as the accused person is Chinese, or as long as the victim is Chinese. In theory, the infringement occurs abroad can be filed in China, but there is few such cases in practice.</p>
<p><b>RUSSIA:</b> As a general rule, Russian criminal law applies within the territory of the Russian Federation. However, in some cases criminal jurisdiction may be extended to infringers located abroad.</p> <p>Namely, if the infringement occurs abroad, criminal proceedings can be initiated against: a citizen of the Russian Federation or a person who is permanently resident in the Russian Federation, if there is no decision of a foreign court (for example, if a Russian citizen illegally uses a third party's trademark abroad, an IP owner can proceed with criminal action in Russia); and a foreign citizen or stateless person committing an offense against the Russian Federation or Russian citizens, if there is no decision of a foreign court (for example, if a foreign citizen or stateless person located abroad imports counterfeit goods into the territory of the Russian Federation, an IP owner can proceed with criminal action in Russia).</p>
<p><b>SWEDEN:</b> if the infringer is a citizen of Sweden, the infringement took place here or if the infringer has assets here, then it is possible to bring charges also in Sweden.</p>
<p><b>SPAIN:</b> The jurisdiction of Spanish criminal law covers all crimes committed in the Spanish territory. Subsidiarily, Spanish criminal law will also cover crimes committed abroad if the offender is Spanish.</p>
<p><b>FINLAND:</b> Same as e.g. in France and Turkey above, i.e. IP rights are subject to the principle of territoriality and thus for an IP infringement to be punishable as a crime, the IP rights in Finland must be infringed. Therefore, if the IP infringement is not made in Finland, it cannot be prosecuted by Finnish PPs and courts.</p>
<p><b>PHILIPPINES:</b> No. Philippine courts adhere to the principle of territoriality. Thus, Philippine courts will not take cognizance of infringement cases within the proper jurisdiction of another sovereign state. It shall only assume jurisdiction over infringement cases which are committed within its territory.</p>
<p><b>UNITED STATES:</b> As a general rule, criminal law applies within the territory of the United States. However, an economic espionage scheme to misappropriate trade secrets, some of the evidence may be in a foreign country, and prosecutors may use extra-territorial laws.</p>
<p><b>PERU:</b> Given that intellectual property rights are subject to the principle of territoriality and the Criminal judge is competent whenever the offence or part of it took on the Peruvian territory. The main criterion is to know whether there is a connecting link between the infringement and the Peruvian territory.</p>
<p><b>THE NETHERLANDS:</b> It is possible to prosecute in the Netherlands an IP infringement that occurred abroad if:</p> <ul style="list-style-type: none"> <li>• the suspect has the Dutch nationality;</li> <li>• the infringing act is considered to be a criminal offence under the law of the country where the infringing act took place;</li> <li>• the infringing act is considered to be a criminal offence under Dutch law.</li> </ul>

**MALTA:** It is possible to prosecute in the Netherlands an IP infringement that occurred abroad if:

- the suspect has Maltese nationality;
- the infringing act is considered to be a criminal offence under the law of the country where the infringing act took place;
- the infringing act is considered to be a criminal offence under Malteselaw.

**GERMANY:** Generally speaking yes, for instance if the owner of the IP right (e.g. patent) is based in Germany or if the offender is of German nationality. Even broader options are provided for trade secret infringements (sec. 5 no. 7 of the German Criminal Code).

**MEXICO:** Federal Criminal Code sets forth certain cases in which a criminal action could be initiated for felonies committed abroad. Such cases are the following:

- For felonies that are initiated, prepared or committed abroad, when they produce or are intended to have effects in Mexico; or, for felonies that are initiated, prepared or committed abroad, provided that a binding treaty for Mexico sets forth the obligation of extradite or judge;
- Continuing felonies committed abroad, whether by Mexican or foreign offenders which continue to be perpetrated in Mexico;
- The felonies committed abroad by a Mexican against Mexicans or against foreigners, or by a foreigner against Mexicans, will be punished in Mexico if concur the following requirements:

(i) that the Defendant is in Mexico;

(ii) that the Defendant has not been definitively judged in the country in which committed the felony, and;

(iii) that the infringement of which the Defendant is accused of is considered as a felony in the country in which it was committed and in Mexico.

### 15) May the Criminal Judge sentence the complainer to pay legal expenses or damages?

**ITALY:** The criminal judge normally does not condemn those who have filed the complaint to pay damages and legal expenses, if a complaint is dismissed, except in exceptional cases. In such cases the amount however would be minimal, unless the action was malicious.

**FRANCE:** The criminal judge may sentence the plaintiff to pay damages to the accused if the action is abusive (i.e.: in the event of an abusive application to join proceedings as a civil party ; in the event of a false accusation/slander). Regarding, legal expenses, in principle they are paid by the State. These expenses are listed in the French Criminal Procedure Code. Following a legal reform both the plaintiff and the defendant can now request to obtain the payment of legal expenses by their opponent.

**UK:** Yes, awards for costs and compensation may be made by the criminal courts.

**POLAND:** No, there is no legal ground to sentence the complainer to pay legal expenses or damages.

**BULGARIA:** No, not the possible civil claimant in a criminal procedure, nor the party which has notified the public prosecutor about the infringement. It is the public prosecutor who decides whether he/she shall raise an accusation before the court.

<b><u>TURKEY:</u></b> No.
<b><u>CHINA:</u></b> The criminal procedure is normally filed by the Public Prosecutor and therefore, criminal judge normally does not condemn those who have filed the complaint to pay damages and legal expenses. Matters related to damages and legal expenses are solved. in civil litigation.
<b><u>RUSSIA:</u></b> No. As far as IP criminal infringements are considered as public and private-public prosecution cases, the Judge is not entitled to sentence the complainer to pay legal expenses or damages.
<b><u>SWEDEN:</u></b> if the right holder lose the civil damage claim in a criminal proceeding, he may be requested to award the defense for costs incurred in that part.
<b><u>SPAIN:</u></b> The complainant could be sentenced to bear the proceeding expenses when the Judge rules that he has acted in bad faith.
<b><u>FINLAND:</u></b> If the right owner has alone pressed the charges in a case where PP has decided not to press charges, the responsibility of the legal costs is the same as in civil proceedings. Thus the basic principle is that if one loses the case, he is responsible to compensate the reasonable legal costs of the opposite party. If both parties partly lose and partly win, both parties cover their own legal costs. If the PP has pressed charges and the right owner has just joined the charges and maybe presented civil claims in the same proceedings, the right owner is responsible for only such extra costs to the defendant that have occurred because of the right owner's claims.
<b><u>PHILIPPINES:</u></b> No. The accused may claim damages in a separate civil case for malicious prosecution if the complainant maliciously and deliberately instituted the action with the knowledge that the charges were false and without basis. The following must be shown: that the complainant caused the prosecution in the criminal complaint; that the criminal action was dismissed or the accused was acquitted; that there is no probable cause; and that the complainant was impelled by malice.
<b><u>UNITED STATES:</u></b> Normally No. The act of a civil claimant in a criminal procedure to pay damages and legal expenses, if a complaint is dismissed, except when evidence of complainant's fraud and/or other misconduct is shown.
<b><u>PERU:</u></b> No. As far as IP criminal infringements are considered as public prosecution cases, the Criminal Judge is not entitled to sentence the IP right owner to pay legal expenses (official fees are not required in criminal cases) or damages. In addition, the criminal procedure is initiated by the Public Prosecutor. Matters related to damages and legal expenses are solved in civil litigations.
<b><u>THE NETHERLANDS:</u></b> A stake holder, such as the right holder, is entitled to join the criminal proceeding in order to claim damages. However, it is only possible to claim damages which are relatively easy to assess and which are the direct result of the criminal offence. If the damage claim is more difficult to assess, the stake holder will be referred to the civil courts.
<b><u>MALTA:</u></b> Not as far as I am aware.
<b><u>GERMANY:</u></b> No, there is no legal basis for such sentences.
<b><u>MEXICO:</u></b> Criminal judges do not condemn the complainer to pay damages and legal expenses. Matters related to damages and legal expenses are solved in a civil action.

**16) What are the effects of the prosecution?**

<p><b>ITALY:</b> At the end of trial the infringer can be sentenced for jail and to pay a fine and damages Substantially, after the criminal seizure, the infringer and/or its customers normally cease in full or in part the infringement.</p> <p>The right holder regains all or part of the market. The market recovery allows virtuous investments and the indirect recovery of expenses and damages.</p> <p>It also allows one to fund the continuation of criminal and civil cases.</p> <p>In practice it is a form of self-financing of civil and criminal cases and it is an indirect way to obtain compensation, which comes by recouping the market.</p>
<p><b>FRANCE:</b> The prosecution has several effects.</p> <p>The infringer can be sentenced to prison and to pay a fine. This sentence is calibrated by the seriousness of the infringement.</p> <p>In addition, the French Intellectual Property Code provides possible supplementary penalties, such as:</p> <ul style="list-style-type: none"> <li>➤ total or partial, definitive or temporary closure of the establishment or shop used predominantly to commit the infringement;</li> <li>➤ recall, destruction of goods or disposal outside commercial channels</li> <li>➤ the publication of court decisions</li> <li>➤ Removal from the channels of commerce the infringed goods and equipment used to manufacture the counterfeit goods</li> </ul> <p>Thus there is a plurality of effects intended to end the infringement and to indirectly allow the right holder to regain all rights on his intellectual property rights.</p>
<p><b>UK:</b> Much depends upon the attitude of the defendant. A criminal conviction does not operate like an injunction.</p>
<p><b>POLAND:</b> The prosecution has impact on the convicted person not to infringe IP rights anymore (otherwise the Criminal Court may order the execution of suspended penalty or sentenced for higher penalty as the criminal offence has been committed by repeat offender). The prosecution usually entail also with the obligation to pay the compensation for the sufferer (in practice it is a form of self-financing of criminal cases).</p> <p>In case of infringement of copyright, the criminal court has to order forfeiture of objects coming from the offence to the State Treasury.</p> <p>In case of infringement of trademark or common law trademarks, the criminal court may order forfeiture of objects coming from the offence to the State Treasury. It is obliged to do so only when the perpetrator made himself, by marking counterfeit goods with a trademark or a registered trademark (for the purpose of placing on the market and while not being entitled to use or distribute goods bearing such marks), a permanent source of income or commits the offence in relation to a good of significant value.</p>
<p><b>BULGARIA:</b> Infringing goods are usually seized until the decision is final.</p>
<p><b>TURKEY:</b> The criminal court sentences the accused with an imprisonment term and orders the destruction of products. The Court is entitled to convert the imprisonment to fine as well.</p> <p>Also Article 51 of the Turkish Criminal Code sets forth that it is possible to postpone an imprisonment penalty of two years or less, provided that the accused did not has a former criminal record relating to an imprisonment of more than three months ruled due to an intentional crime <u>and</u> that the court is convinced that he/she would not commit another crime in the future. In such case, the accused is under supervisory control for five years and if he/she commits a crime intentionally within this period, the postponed sentence is enforced.</p>
<p><b>CHINA:</b> It is the same case as in Italy.</p>

<p><b><u>RUSSIA:</u></b> Successful prosecution may lead to seizure and destruction of counterfeit goods. An infringer may be sentenced to fines, compulsory, corrective or forced works and even imprisonment. An IP owner is also entitled to claim for compensation within a civil action in the following amounts:</p> <ul style="list-style-type: none"> <li>• From 10,000 to 5,000,000 rubles;</li> <li>• Double cost of counterfeit/infringing goods; or</li> <li>• Double royalty.</li> </ul>
<p><b><u>SWEDEN:</u></b> generally that the right holder has spent more money on safeguarding his rights than he recuperates in damages from the infringer.</p>
<p><b><u>SPAIN:</u></b> Depending on the case, the effects can be important or not. For instance, in case of street vendors, they will not stop their infringing activities after being prosecuted as it is their modus vivendi. However, in cases involving huge amounts of goods or criminal organizations, the offenders will not probably stop while the case is being judged.</p>
<p><b><u>FINLAND:</u></b> Like in UK i.e. much depends upon the attitude of the defendant. A criminal conviction does not operate like an injunction. Furthermore the infringing products can be seized already during the pre-investigation.</p>
<p><b><u>PHILIPPINES:</u></b> The seizure of the infringing goods, in addition to being an effective deterrent for future acts of infringement, prevents said infringing goods or services from entering channels of commerce. The Court shall have the power to order the seizure and impounding of any article which may serve as evidence in the court proceedings.</p> <p>At any time after the filing of the complaint or information, the court upon motion and after due notice and hearing, may issue an order for the destruction of the seized infringing goods, objects or devices, even including labels, packaging, receptacles and advertisements used in the infringing act to protect the rightholder. A provisional remedy of preliminary injunction can also be applied for from the court during the trial of the criminal infringement.</p>
<p><b><u>UNITED STATES:</u></b> Statutory penalties include Imprisonment and Fines, both civil and criminal Forfeiture, harmonized federal criminal law regarding Restitution in intellectual property offenses in a single section of the criminal code, 18 U.S.C. § 2323(c), and Sentencing Guidelines. Sentences will vary depending on copyright, trademark, and/or trade secret and are governed by a particular statute and the Sentencing Guidelines.</p> <p>For example, economic espionage sponsored by a foreign government, the maximum sentence for a defendant convicted under 18 U.S.C. § 1831 is 15 years' imprisonment and a fine of \$5 million, whereas the maximum sentence for a defendant convicted under 18 U.S.C. § 1832 is 10 years' imprisonment and a fine of \$250,000 or twice the monetary gain or loss, or both. See 18 U.S.C. §§ 1831(a), 1832(a). Similarly, organizations can be fined up to \$10 million for violating § 1831 or \$5 million for violating § 1832. 18 U.S.C. §§ 1831(b), 1832(b).</p> <p>The criminal trademark statute prohibits trafficking in goods or services that bear a counterfeit mark. 18 U.S.C. § 2320 with higher penalties for trafficking in counterfeit drugs and certain counterfeit military goods or services. Individuals convicted of § 2320 offenses generally face up to 10 years' imprisonment and a \$2 million fine. If the offense involved serious bodily injury, counterfeit drugs, or counterfeit military goods or services, individuals face up to 20 years in prison and a \$5 million fine.</p> <p>Restitution is to compensate victims for actual losses, restitution is based on the legitimate seller's gross, rather than net, lost profits -- only "the actual amount [of infringing goods] placed into commerce and sold." <i>United States v. Beydoun</i>, 469 F.3d 102, 108 (5th Cir. 2006). Although infringing items intended to be sold (but not actually sold) may be included in valuing loss for sentencing purposes, such goods should not be included in calculating restitution. <i>Id.</i> at 107-108. Many states have laws that specifically address the theft of information (see, e.g., Uniform Trade Secrets Act) or, if a state lacks a specific trade-secret law, its general theft statutes may apply as Section 1838 provides non-preemption that expressly recognizes that other federal and state remedies may apply "for the misappropriation of a trade secret."</p>
<p><b><u>PERU:</u></b> If the Prosecution ends up with a guilty verdict, the effects are the following:</p>

- A quantity of years of prison;
- A fine in favor to Peruvian State;
- A civil compensation in favor to the IP right owner;
- Disqualification to do trade activities.

**THE NETHERLANDS:** The court could impose a fine or a prison sentence. The amount and duration of the sentence depends on the type of IP right.

**Trademark:** a fine of up to € 82.000,- or imprisonment of up to one year.

**Patent:** a fine of up to € 20.500,- or imprisonment of up to six months. Any person who makes a profession or a business of patent infringement could be punished by means of a fine of up to € 82.000,- or imprisonment of up to four year.

**Design:** a fine of up to € 82.000,- or imprisonment of up to one year.

**Copyright:** a fine of up to € 20.500,- or imprisonment of up to six months. Any person who makes a profession or a business of patent infringement could be punished by means of a fine of up to € 82.000,- or imprisonment of up to four year.

**Trade Secrets:** a fine of up to € 20.500,- or imprisonment of up to six months.

**MALTA:** The court could impose a fine and / or a prison sentence. The amount and duration of the sentence depends on the type of IP right and the gravity of the offence.

**GERMANY:** The infringer can be sentenced to prison or to pay a fine. In addition, supplementary penalties may be ordered.

**MEXICO:** Successful prosecution may result in the seizure and destruction of counterfeited goods. Also, the offender will be punished with imprisonment and fines.

Likewise, IP owners are entitled to claim damage through a civil action. In no case, the compensation shall be less than 40% of the public sale price of each product or service rendered in case of Trademarks or 40% of the of the public sale price of the original product or service rendered in case of Copyrights.

### 17) Can one promote a civil and a criminal proceeding at the same time?

**ITALY:** Yes. The civil and criminal proceedings are parallel and autonomous and can lead to different decisions.

**FRANCE:** Yes, the civil and criminal proceedings are independent. However, in France, the civil proceeding is the majority's preferred option.

It has to be underlined that in order to bring a civil action, the victim can decide to go before the civil court or the criminal court, as a "civil party". Here, the civil action is an accessory to the public action. This choice is irrevocable, as a result of the principle: «*electa una via, non datur recursus ad alteram*».

**UK:** Yes, though this is unusual.

**POLAND:** Yes, the civil and criminal proceedings are parallel and autonomous and can lead to different decisions.

**TURKEY:** Yes.

**CHINA:** Yes The civil and criminal proceedings can be parallel and autonomous and lead to different decisions.

**RUSSIA:** Yes. An IP owner can promote civil and criminal proceedings simultaneously. However, a judge may suspend civil proceedings until the final judgment on a criminal case. Such suspension may be challenged in a higher court and may be considered as unreasonable.

<b><u>SWEDEN:</u></b> Yes.
<b><u>SPAIN:</u></b> Yes. However, the civil judge will stay proceedings until the criminal procedure has ended (article 114 Spanish Law on Criminal Procedure)
<b><u>FINLAND:</u></b> Yes. In the criminal proceedings the right owner can claim compensation and damages and destruction of the infringing products, but cannot claim for injunction. Only the Market Court can order injunction.
<b><u>PHILIPPINES:</u></b> Yes. When a criminal action is instituted, the civil action for the recovery of civil liability arising from the offense charged shall be deemed instituted with the criminal action unless the offended party waives the civil action, reserves the right to institute it separately, or institutes the civil action prior to the criminal action.
<b><u>UNITED STATES:</u></b> Yes, the civil and criminal proceedings may be brought in parallel and can lead to different decisions. Under certain circumstances, evidence from criminal proceedings may be sought and used in civil proceedings.
<b><u>PERU:</u></b> Yes, the civil and criminal proceedings are parallel and autonomous and can lead to different decisions.
<b><u>THE NETHERLANDS:</u></b> Yes The civil and criminal proceedings can be initiated at the same time and can run parallel as they are independent from each other and can also lead to different decisions.
<b><u>MALTA:</u></b> Yes.
<b><u>GERMANY:</u></b> Yes.
<b><u>MEXICO:</u></b> Yes for Copyrights. Regarding trademarks it is not possible, as it is required to have a previous non-contestable administrative ruling to bring a civil action for damages. For patents, there are no criminal actions but only if there is recurrence and for bringing a civil suit for damages, it is necessary to also have a previous non-contestable administrative ruling.

<b><u>18) Does the criminal trial remain in the availability of the complainer?</u></b>
<b><u>ITALY:</u></b> To give answer to common prejudices, we do not have to think then that the criminal justice system is a procedure that provides roughness or uncontrollability. The experience shows that the criminal protection allows an excellent dialogue with investigators, often of the best level, in order to solve concrete problems, where each solution can be carried out with maximum flexibility, in perfect parallel with the civil remedies. The Court Decision will declare that such infringement is a crime and should be punished. Punishment is often converted into a fine.
<b><u>FRANCE:</u></b> In France, the criminal trial is not per se in the availability of the plaintiff.
<b><u>UK:</u></b> Yes.
<b><u>POLAND:</u></b> Complainer may only file an interlocutory appeal against a decision to decline to initiate an investigation. However, a sufferer (who may be also the complainer) is a party in the criminal proceeding (right to submit evidentiary motion, right to access to case file, right to appeal etc.).
<b><u>BULGARIA:</u></b> No, it is under control of the PP.
<b><u>TURKEY:</u></b> The criminal trial continues unless the complaint is withdrawn by the complainant and the complainant is entitled to participate to the hearings, comment on the defenses, the expert report and such.
<b><u>CHINA:</u></b> Please explain what you mean by “the availability of the complainer so that we may provide proper comments.

<b>RUSSIA:</b> As our experience shows us, the Police are reluctant to initiate prosecution of IP criminal infringers. In most cases, the IP owner has to make significant efforts in order to demonstrate the need of prosecution to the PP and influence the course of the investigation.
<b>SWEDEN:</b> Prosecutor has full power over the proceedings in the criminal part.
<b>SPAIN:</b> Same answer as 7 above.
<b>FINLAND:</b> Yes, the right owner has the right to bring charges if the PP decides not to bring charges. If PP brings charges, the right owner can join the PP's claim for criminal punishment and the right owner can state his own civil claims for compensation and damages and destruction of the infringing products. Both the right owner's and PP's prosecution rights remain as long as the right to press charges has not expired according to the law.
<b>PHILIPPINES:</b> The testimony of a complainant is a principal evidence in a criminal proceeding. If there is no complainant the prosecutor and the accused can reach a plea bargain arrangement where the accused can plead guilty to a lesser offense and penalty. Also, if there is no other direct evidence other than the testimony of the complainant, the absence of the complainant can result in the acquittal of the accused.
<b>UNITED STATES:</b> No, the criminal trial is not <i>per se</i> in the availability of the complainant.
<b>PERU:</b> No, it is under control of the Public Prosecutor.
<b>THE NETHERLANDS:</b> Yes.
<b>MALTA:</b> This depends on whether the offence is one which can be prosecuted <i>ex officio</i> or is one which requires the filing of a criminal complaint.
<b>GERMANY:</b> As for initiating criminal proceedings, our experience shows that it is oftentimes difficult to get the PP to assume that the case is worth investigating. As a result, criminal proceedings in IP cases are quite rare. We have good experience with trade secret cases under criminal law, but apart from that, IP infringements are relatively rarely tried in criminal courts. As for ending criminal proceedings, as explained above, in <i>ex officio</i> cases, the victim cannot control the criminal prosecution at all. Even if the case is based on an application for criminal prosecution of the victim, a withdrawal of the application does not necessarily lead to an end of the criminal prosecution. Thus, all in all, under German law, criminal proceedings are difficult to initiate and may then be hard to control.
<b>MEXICO:</b> Based on our experience, complainers usually provide all the evidence and investigation leads to the PP. In most of the cases, PP and the Attorney General's Office are reluctant to initiate prosecution of IP criminal infringers. For such reason, complainers and their legal representatives have to make significant efforts in order to demonstrate the need of prosecution to the PP and be very active in the course of the investigation.

**19) May one proceed under criminal law in the case there are already an expert witness or a civil decision?**

<b>ITALY:</b> Criminal and civil actions are independent. What stated above applies even if there is already a civil decision on the validity or on the infringement of the IP right, or a civil expertise about it, that cannot generally have binding effect in subsequent criminal proceeding, which may proceed independently with different results.
<b>FRANCE:</b> The criminal and the civil action are independent. The aim of each action is different, since civil action tends to claim compensation, while the criminal action tends to protect society. Thus one can perfectly proceed under criminal law even if there is already a civil decision. In the same direction, one may proceed under civil law even if criminal proceedings are extinguished.
<b>UK:</b> A finding or ruling in a civil case cannot affect a criminal case.

<p><b><u>POLAND:</u></b> Yes. The civil judgment has no impact on the criminal proceeding. Moreover, any evidences carried out in the civil proceeding need to be carried out again in the criminal proceeding because the criminal court shall, at its own discretion, determine the factual and legal matters and shall not be bound by determinations of another court or body.</p>
<p><b><u>BULGARIA:</u></b> yes, but seldom in practice, usually you chose between them from the beginning.</p>
<p><b><u>TURKEY:</u></b> Yes, indeed.</p>
<p><b><u>CHINA:</u></b> It is basically the same case as in Italy.</p>
<p><b><u>RUSSIA:</u></b> It is possible to proceed with criminal action after a decision on a civil case. However, if, according to the judgment on the civil case, an IP title was annulled, it would have a binding effect in subsequent criminal proceedings.</p>
<p><b><u>SWEDEN:</u></b> Depends on the binding effect of the civil decision and its effect on the criminal case.</p>
<p><b><u>SPAIN:</u></b> Yes, but the civil case must be concluded.</p>
<p><b><u>FINLAND:</u></b> Yes but if a civil decision for compensation, damages and/or destruction in the same matter has already been given, one cannot state those claims anymore in the criminal proceedings and can thus only claim for punishment.</p>
<p><b><u>PHILIPPINES:</u></b> Yes. The criminal proceeding may proceed independently of the civil proceeding. Moreover, a criminal action for patent infringement is available only for repetition of infringement wherein infringement is repeated by the infringer or by anyone in connivance with him after finality of the judgment of the court against the infringer in a civil action.</p>
<p><b><u>UNITED STATES:</u></b> A parallel proceeding is most likely to arise in the form of a concurrent or pre-existing civil case under copyright, trademark and/or trade secret misappropriation case brought by the victim against one or more of the subjects of the criminal investigation. Such parallel civil proceedings may generate evidence, in the form of interrogatory responses, deposition or trial testimony, and responses to document requests that would be of interest to a criminal prosecutor and agency investigating potential criminal violations. Additionally, the government may file a civil action to obtain appropriate injunctive relief to prevent further disclosure of a trade secret by the defendant or third parties during a criminal investigation, or as part of the judgment at the end of the case. See 18 U.S.C. § 1836(a)(expressly authorizes the Attorney General).  Misuse of a civil or criminal proceeding for the purpose of benefitting the other proceeding, however, in addition to being improper, may jeopardize the criminal proceeding (e.g. affirmative misstatements of fact or law, conduct involving dishonesty, fraud, deceit, or misrepresentation, or impermissible communications with represented persons).  However, if the IP right is invalidated, cancelled and/or annulled in the civil case, it may have a binding effect in criminal proceedings and/or may affect the prosecutor in bringing criminal proceeding in his/her discretion.</p>
<p><b><u>PERU:</u></b> The criminal and the civil action are independent. The aim of each action is different, since civil action tends to impose fine and to claim compensation, while the criminal action tends to protect society. Therefore, one can perfectly proceed under criminal law even if there is already a civil decision. In the same direction, one may proceed under civil law even if criminal proceedings are extinguished.</p>
<p><b><u>THE NETHERLANDS:</u></b> A finding of a civil court may serve as evidence in criminal proceedings, but does not affect those proceedings.</p>
<p><b><u>MALTA:</u></b> A finding of a civil court may serve as evidence in criminal proceedings, but does not affect those proceedings.</p>
<p><b><u>GERMANY:</u></b> Just like in France, the criminal and the civil action are independent, and one can perfectly proceed under criminal law even if there is already a civil decision or a civil case pending. Likewise, one may proceed under civil law even if criminal proceedings are underway. The court involved later may stay the proceedings, however, a decision by the other court (be it the civil or</p>

the criminal court) is not legally binding. It may, however, be factually binding in the sense that one court may be inclined to follow the result of the other.

**MEXICO:** Criminal and civil actions are independent. Nonetheless, the ruling issued in a criminal action may be filed in a civil action and vice versa in order to provide additional evidence to try to influence the decision of the corresponding judge or authority. It will be up to the corresponding judge or authority to determine if such ruling is considered for its decision.