



Promoting Intellectual  
Property Rights in the  
ASEAN Region

# IPR Protection from a Criminal Law Perspective

Valerio Papajorgji | VICO | 26 January 2021



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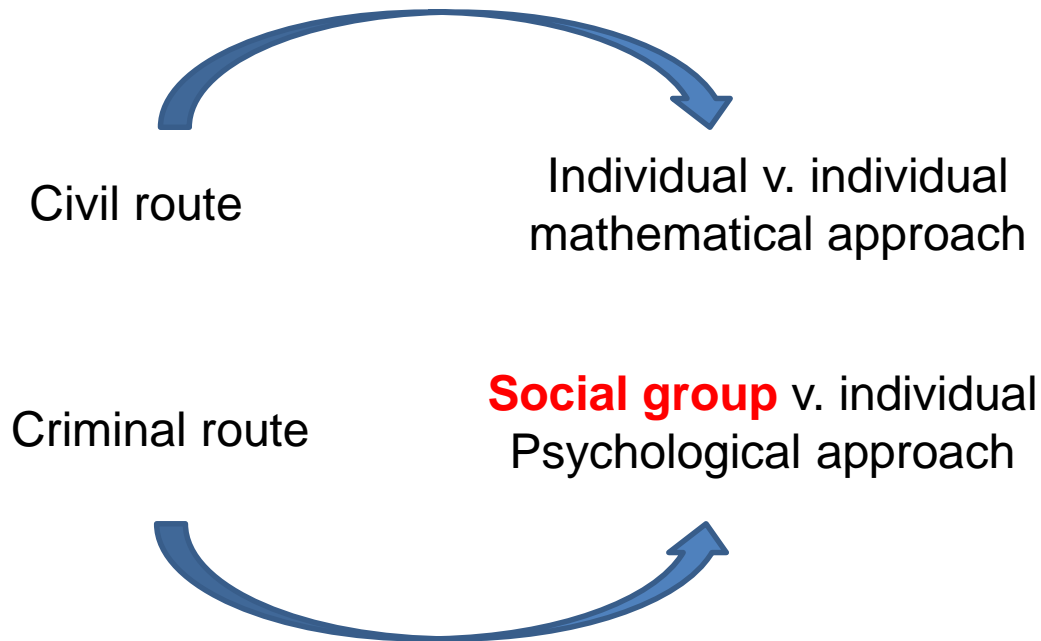
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- Use of complementary rights and crime to build up and support an effective IP case
- Penalties, forfeiture, destruction and confiscation of proceeds of crime
- International cooperation and MLA

## The criminal axiom



When is this likely to be accepted...

## Is the social group affected?

When a person download a music for his/her own personal benefit?

When it concerns with dangerous fake products?

When the fake products harms human beings according to generally accepted terms (for instance work of children)?

When the sellers of fake products do not pay taxes?

## **The legal instruments available for a criminal law suit**

## The *a minima* criminal remedies

**Article.61 of TRIPS Agreement** provides that 'Members shall provide for criminal procedures and penalties to be applied, at least, in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale'.

Remedies available shall provide:

- Fines; **and/ or**
- Imprisonment.

**In your country what is the conviction for design and patent infringement?**



## What a criminal sentence may contain?

In Europe, we can use existing legal instruments to enforce it in other EU MS

*A criminal court sentence may provide for*

Council Framework Decision 2005/214/JHA of 24 February 2005 on the application of the principle of mutual recognition to financial penalties

Council Framework Decision of 13 June 2002 on the European arrest warrant and the surrender procedures between Member States

Council Framework Decision 2006/783/JHA of 6 October 2006 on the application of the principle of mutual recognition to confiscation orders

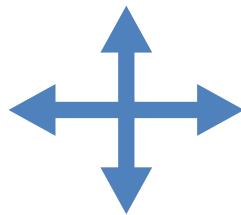
Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters

## Which fake to go after?

**Go for the strongest  
identifiable infringed IPR**

**Make sure that the IP  
right holder is backing  
you up**

Keep in mind that there  
could be more behind  
your case



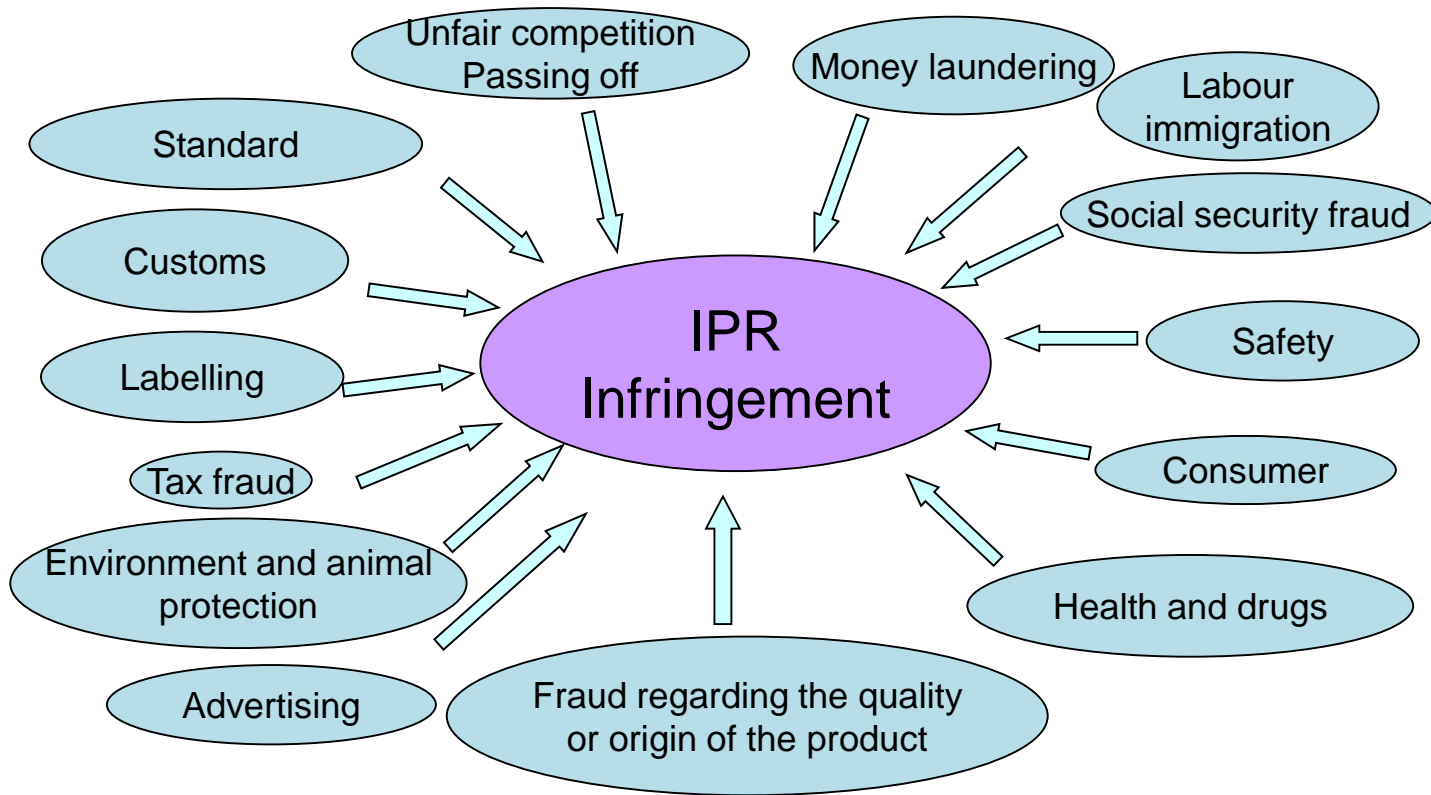
**To sell your case — see whether  
other ‘more attractive’  
legislations are also breached**

Gather as much evidence as possible  
Seek intelligence

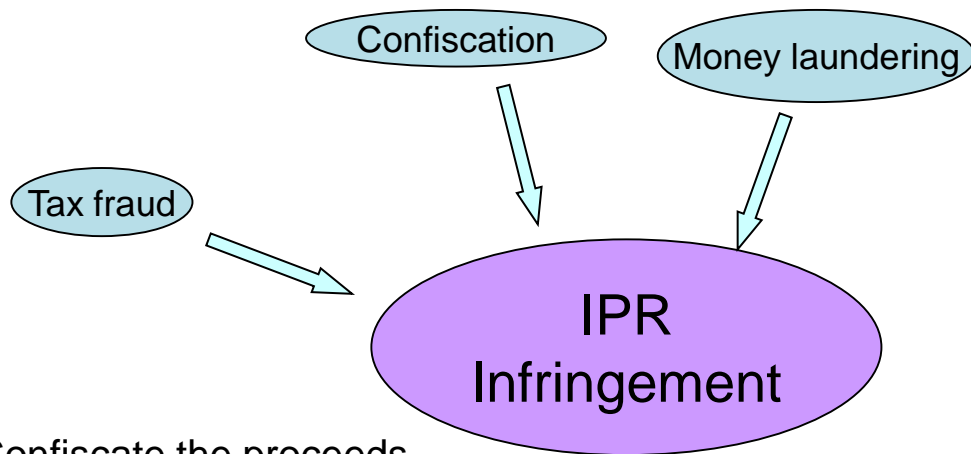
**Go criminal only if the IPR violation  
is clearly established**



## Possible complementary actions in case of IPR infringement



## The follow the money approach



Confiscate the proceeds  
of crime

IPR crime shall not pay

Counterfeit products cannot be regarded as *extra commercium*, since there can be competition between counterfeit products and goods which are lawfully traded.

Therefore tax on fake products is due.

(ECJ, 28 May 1997, 3/97, Goodwin & Unstead).

## The international context of the confiscation measures

- ✓ **United Nations Convention against Transnational Organized Crime** adopted by General Assembly resolution 55/25 of 15 November 2000 and **signed in** Palermo, Italy, on 12-15 December 2000 and entered into force on 29 September 2003.
- ✓ Two **Conventions the Council of Europe** signed respectively in **Strasbourg** on 8 November 1990 (and **Warsaw** on 16 May 2005) on Laundering, Search, Seizure and Confiscation of the Proceeds of Crime (and on the Financing of Terrorism).
- ✓ **Directive 2014/42/EU** of the European Parliament and of the Council of 3 April 2014 on the freezing and confiscation of instrumentalities and proceeds of crime in the European Union.

## The Palermo Convention at the UN level

The Palermo Convention shall apply to the prevention, investigation and prosecution of... serious crime where the offence is transnational and involves an organized criminal group (OCG).

The States Parties shall enable confiscation of the *proceeds of crime* (and property) derived from such offences and property, equipment or other instrumentalities used in or destined for use in such offences.

If proceeds of crime have been intermingled with property acquired from legitimate sources, such property shall also be liable to confiscation. Income or other benefits derived from the previous which have been transformed or converted shall also be liable to confiscation.

## The Palermo Convention



**Malaysia: entry into force on 24 September 2004**



**Thailand: entry into force on 17 October 2013**



**Vietnam: entry into force on 8 June 2012**

## The Palermo Convention

**Article 2** of the Palermo Convention states that:

(a) “Organized criminal group” shall mean a structured group **of three or more persons**, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this Convention, in order to obtain, directly or indirectly, a financial or other material benefit;

(b) “Serious crime” shall mean conduct constituting an offence punishable by a maximum deprivation of liberty of at least **four (4) years** or a more serious penalty.

**+ participation in OCG + money laundering + corruption +  
obstruction to Justice**

## The situation in Europe: Directive 2014/42 of 3 April 2014

- ✓ Normal confiscation

Concerns whole or part of instrumentalities and proceeds or property the value of which corresponds to instrumentalities or proceeds of the crime.

- ✓ Extended confiscation

Concerns whole or part of property belonging to a person convicted of a criminal offence which is liable to give rise, directly or indirectly, to economic benefit derived from criminal conducts, independently of the crime.

- ✓ Confiscation from a third party

Concerns proceeds or other property which corresponds to proceeds, which, directly or indirectly, were transferred by a suspected or accused person to third parties, or which were acquired by third parties from a suspected or accused person.

## Comparison of the legal instruments

Texts	Criminal organisation	Minimum conviction	Trans- national	Crimes
Palermo	Yes ≥ 3 persons	4 years w/ exc.	Yes	Left to States
EU (Dir. 2014)	Yes ≥ 2 persons**	No thresholds and 4 years for extended conf.	Not necessary	Listed a minima



## The questions to ask yourself

- ✓ What are the rules, specific conditions and related thresholds that apply to confiscation in your country?
- ✓ Does confiscation apply to IPR infringement?
- ✓ Are there alternative crimes to pursue in order to apply confiscation to the infringer?
- ✓ Is there a civil or administrative confiscation in your country?

## Confiscation or not

**Does confiscation apply to these offences?**

Trade marks	Geographical indication	Tax fraud	Health and drug violation/ environment
Designs	Trade secrets/ know how	Money laundering	Consumer Fraud
Copyright	Semiconductor topography	Fraud on quality or origin of the product	Unfair Competition/ Passing off
Patents/ Utility models	Plant variety	Customs law violation	Social security/ labour fraud/ immigration

## Storage and destruction of goods

Sensitive issue for several countries across the globe:

- High costs for storing detained/seized goods;
- No agreement on who should be accountable for such costs (Law enforcement authorities? Right holders? Criminals?);
- Destruction practices not always respectful of environmental aspects;
- Ad hoc destruction and disposal practices for dangerous goods.

# Working with other countries

## **A basic international instrument**

**The Palermo Convention contains a minima rules of cooperation for transborder cases, including**

- ✓ **MLA for retrieving evidences and searches**
- ✓ **Joint investigations team**
- ✓ **Over the border confiscation**
- ✓ **Extradition**

## The tricky questions of MLA request

How far do you want to rely on MLA with your partners countries?

- ✓ Dual criminality requirement
- ✓ Drafting a proper MLA may be burdensome and expensive w/ translations costs
- ✓ Length of the response time
- ✓ Lack of control on the process
- ✓ Random quality of the responses from the requested State Parties

## How to enforce IPRs throughout the EU?

**In Europe, we can use two legal instruments**

**Directive 2014/41/EU of the European Parliament and of the Council of 3 April 2014 regarding the European Investigation Order in criminal matters**

**Council Framework Decision of 13 June 2002 on the European arrest warrant and the surrender procedures between Member States**

## Conclusions

**Need for basic IPR and related crimes awareness**

**Awareness of economic profits around IPR crime  
business**

**Needs for cooperation with international and national  
agencies**





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# THANK YOU



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