

**EU-ASEAN SYMPOSIUM ON IP ENFORCEMENT BY
SPECIALISED COURTS, CHALLENGES AND
RECENT DEVELOPMENTS IN IPR**

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Riccardo Castiglioni, Attorney at Law

Castiglioni Bonelli Marchetti le Divelec, Law Firm, Italy

Civil versus Criminal Remedies



How to protect IPRs in Italy:

- Civil Suit

- Criminal action

- **All** the infringements of IPRs can be enforced with a **Civil Suit**;
- **Not** all IPRs violations can be pursued under a **criminal charge**

A criminal action needs:

- a) Actus reus (violation of an IPR according to the criminal provisions)
- b) Mens rea (the criminal intent)
- c) A registered IPE (except for the TM in residual cases)



Why does the Right Holder choose the criminal way to protect its rights?

- The criminal action is faster than the civil suit;
- Starts with a 'prima facie' evidence (*actore non probante, reus absolvitur*);
- *Effective against the 'bad guys' and 'fly-the-night operators*;



The pros and the cons about criminal actions:

- Criminal actions do not allow a prompt recover of the damages;
- The criminal proceedings can't be kept under control by the right holder;

Best practice:

The right holder should start a criminal proceeding:

- ✓ In case of quite evident lack of evidence (difficult to track down the manufacturer or the importer);
- ✓ clear infringement of the right (according to the criminal provisions);
- ✓ involvement of the criminal organization;
- ✓ entrepreneurs devoted to counterfeiting (no legal business);



When does the criminal action seem to be not suitable/inappropriate?

- **No clear infringement of the right**
(lack of title upon the owner)
(dispute on the IPR registration)
- **possible lack of criminal intent**
 - pre-use of the right from a third party before the registration;
 - civil action started before the alleged criminal behaviour;
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Which is the role played by the RO during the criminal proceeding:

The support of the RO is often the key for a successful criminal action:

- Filing the criminal complaint provides the first evidence;
- Also provides the expertise and the technical hints necessary to support the violation;
- Knows the market and handles the business intelligence data: definitively is the best PI for itself;
- Last but not the least, supports the case before the Court of Appeal and the Supreme Court.



Case Study

- TRADEMARKS

OAKLEY vs. unknown organization

Nokia vs. unknown importers

Nokia vs. Top Service

- PATENTS

BAYER vs. a 'fly-the-night' entrepreneur

ROCHE vs. PAREK CHEMICAL

- DESIGNS

NOKIA vs. SBS



Case a) Sunglasses

Imported via Shipper/Courier (DHL, FEDEX) and resold on the market using (illegal) street trader;

Action Plan:

- Improving the risk analysis of the Customs Anti Fraud Unit using the info obtained by the International supervision;
- Support the Public Prosecutor providing expertise, business intelligence, forensic evidence;
- Tracking back the sender/manufacturer (abroad) and alerting the equivalent office to stop the manufacturing;



Case b) *accessories for mobile phones*

A huge quantity of accessories are on the market; The quality is quite perfect. The information comes from an informant of the Financial Police.

Action Plan

- Identify the retailer; test purchase;
- File a criminal complaint in order to get a search & seizure order enclosing the 'prima facie evidence': material evidence (samples bought), expertise on the same items, copy of the TM and Design registrations;
- During the search, get the relevant fiscal documents (invoices) in order to track back the importer(s);
- Search and seizure in the premises of the importer(s), using technicians as constable officers and then move the distributor who recently bought huge quantity of fake goods;



Case b2) *accessories for mobile phones*

A huge quantity of accessories are stopped by the Customs Anti Fraud Unit on the grounds of the Application filed by the Right Holder according to the Regulation (EC) 3295/1994^(*).

Action Plan

- After the stopping of the goods identify the addressee;
- The Right Holder, informed on the grounds of the EC Regulation, collected samples, inspected them and filed a criminal complaint, asking for a search & seizure order enclosing the expertise on the same items, copy of the TM and Design registrations; (the material evidence is in the hand of the Customs Officers)
- Customs seize the goods ex officio (must be validated by the Public Prosecutor) and ask a search warrant for the premises of the addressee;
- During the search, get the relevant fiscal documents (invoices) and then move onto the distributor who recently bought huge quantity of fake goods, using technicians as constable officers;

(*) replaced by the Reg. (EC) 1383/2003, came into force last July 1st)



Case c) *chemical products*;

The business intelligence reveals that the turnover of certain antibiotic used for animals decreases dramatically in a short period, w/out apparent reason. Informant on field provided preliminary information about the possible perp.

Action Plan

- File an ex parte criminal complaint against ‘unknown perps.’;
- The inquest starts using both 88 Patent Act and 648 criminal Code in order to strengthen the enquiry;
- Long and complex enquiry, using bugging of phone calls, tailing of the suspects, identification of possible warehouse and (possible) facilities;
- After gathering the necessary evidence (not only prima facie evidence) the Carabinieri NAS (Anti-Adulteration Special Unit) obtained search & seizure warrants against eight persons.



Case c2) *chemical products*;

The Right holder files a suit against a company (A) which infringes a certain patent. After the execution of a description order, the infringer agrees to settle the case out of Court, stopping the infringement. After some months (six) the Right holder finds the same product in Brazil. The forensic analysis reveals that the active ingredient seems to be the same already stopped in Italy. The Right Holder also gets an AWB concerning the product suspected of being infringed, thanks to which we understand that the same product came from another Italian company (B), controlled by the first one previously suited.

Action Plan

- File a criminal complaint enclosing all the evidences gathered: custom documents, forensic analysis, settlement agreement;
- On the grounds of the customs documents the Public Prosecutor obtains from the Judge the authorization to intercept the fax and the phone calls sent and received by (B);
- After collecting the necessary evidence (the fax concerning the order to produce a certain quantity of counterfeit active ingredient) a search & seizure order is carried out on the premises of the company (A).



Case d) design;

- Nokia started a campaign against the fake X-press covers, protected as Design, Registered under WIPO. A company challenged Nokia's IP rights alleging the violation of EU Directive 98/71 concerning the so called 'spare parts exception'. On the grounds of said exception the Court for Release declared null and void the seizure order and returned the goods to the importer (200 criminal proceedings pending, 90% of which concerning covers).
- The Public Prosecutor's office disagreed with the Court for Review and went before the Supreme Court.
- Six months later the Supreme Court invalidated the ruling given by the Court for Review and declared that the NOKIA X-press covers are accessories and not spare parts and so the international registrations are valid



What are the lessons learned?

- time is of essence in most of these cases;
- since counterfeiters are moving fast, then the strategy to combat counterfeiting must be flexible and effective;
- Moving from a reactive to a proactive approach;
- Tracking down the sources of counterfeiting is better than one hundred seizures on the retailer;





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Today's news - 02-24-2004

France: a new case of counterfeit contact lenses

The second case of counterfeit contact lenses in France within two weeks: this time the victim is [Johnson & Johnson Vision Care](#) and its Surevue lenses, which represent around 20% of the French market for frequent-change lenses. According to reports by Acuité, as in the case of CooperVision, the discovery was made after some opticians had returned packs of lenses to have the dioptric strength changed. This was how a wholesaler realized they were fakes: they were in the old square-shaped packs which were no longer produced after end 2003. In addition, the letter "D" and the "hourglass" pictogram on all the new J&J packs are missing from the fake packs.

Johnson & Johnson Vision Care alerted the Agence Française de Sécurité Sanitaire des Produits de Santé (Afssaps, the French association for the safety of health products) and it is checking batches to stop delivery to opticians immediately. In the next few hours, further steps will be taken to inform retailers and consumers.





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News: All Channels - 02-18-2004

Record seizures of counterfeit Oakley products in 2003

In its ongoing campaign to identify and aggressively pursue violators of its protected designs and trademarks, [Oakley](#) has highlighted the results of its 2003 anti-counterfeiting efforts.

Working closely with a wide variety of local, national and international law enforcement agencies, Oakley's legal team oversaw the confiscation of 2,739,754 fake Oakley products, primarily sunglasses, worldwide in 2003, with an estimated street value totaling more than \$27 million. This represents a 156 percent increase over the 1,071,755 products confiscated the previous year. For the year there were 447 total worldwide arrests of individuals participating in the sale of such fakes, 111 of whom were outside the U.S. This was due in large part to the company's stronger efforts to educate and train law enforcement agencies worldwide resulting in more arrests against counterfeiters in important international markets.

