

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 523 Session of  
2007

INTRODUCED BY YOUNGBLOOD, CRUZ, MELIO, READSHAW, SIPTROTH, MOUL,  
PAYNE, GODSHALL, HORNAMAN, HESS, K. SMITH AND THOMAS,  
MARCH 6, 2007

AS REPORTED FROM COMMITTEE ON JUDICIARY, HOUSE OF  
REPRESENTATIVES, AS AMENDED, OCTOBER 16, 2007

## AN ACT

1 Amending Title 18 (Crimes and Offenses) of the Pennsylvania  
2 Consolidated Statutes, further providing for trademark  
3 counterfeiting.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Section 4119 of Title 18 of the Pennsylvania  
7 Consolidated Statutes is amended to read:

8 § 4119. Trademark counterfeiting.

9 (a) Offense defined.--Any person who knowingly manufactures,  
10 uses, displays, advertises, distributes, transports, offers for  
11 sale, sells or possesses with intent to sell or distribute any  
12 items or services bearing or identified by a counterfeit mark  
13 shall be guilty of the crime of trademark counterfeiting.

14 [(b) Presumption.--A person having possession, custody or <—  
15 control of more than 25 items bearing a counterfeit mark {may be <—  
16 presumed to possess said items with intent to sell or  
17 distribute.] ~~shall be presumed to be in possession of the items~~ <—

~~with the intent to offer for sale, sell or distribute the items.~~

(c) Penalties.--

(1) Except as provided in paragraphs (2) and (3), a violation of this section constitutes a misdemeanor of the first degree.

(2) A violation of this section constitutes a felony of the third degree if:

(i) the defendant has previously been convicted under this section; or

(ii) the violation involves more than 100 but less than 1,000 items bearing a counterfeit mark or the total retail value of all items or services bearing or identified by a counterfeit mark is more than \$2,000, but less than \$10,000[.]; or

~~(iii) the offender knowingly or recklessly causes or attempts to cause the bodily injury of another by the commission of an offense under this section.~~ <—

(III) BODILY INJURY TO ANOTHER RESULTS FROM A VIOLATION OF THIS SECTION. <—

(3) A violation of this section constitutes a felony of the second degree if:

(i) the defendant has been previously convicted of two or more offenses under this section;

(ii) the violation involves the manufacture or production of items bearing counterfeit marks; [or]

(iii) the violation involves 1,000 or more items bearing a counterfeit mark or the total retail value of all items or services bearing or identified by a counterfeit mark is more than \$10,000[.]; or

~~(iv) the offender knowingly or recklessly causes or~~ <—

~~attempts to cause the serious bodily injury of another by  
the commission of an offense under this section.~~

(IV) SERIOUS BODILY INJURY TO ANOTHER RESULTS FROM A  
VIOLATION OF THIS SECTION.

(d) Quantity or retail value.--The quantity or retail value of items or services shall include the aggregate quantity or retail value of all items or services [bearing or identified by every counterfeit mark] the defendant manufactures, uses, displays, advertises, distributes, offers for sale, sells or possesses.

(e) Fine.--Any person convicted under this section shall be fined in accordance with existing law or an amount up to three times the retail value of the items or services bearing or identified by a counterfeit mark, whichever is greater.[, unless extenuating circumstances are shown by the defendant.]

(f) Seizure, forfeiture and disposition.--

(1) Any items bearing a counterfeit mark, any property constituting or derived from any proceeds obtained, directly or indirectly, as the result of an offense under this section and all personal property, including, but not limited to, any items, objects, tools, machines, equipment, instrumentalities or vehicles of any kind, [knowingly employed or] used in connection with a violation of this section [may] shall be seized by [any] a law enforcement officer.

(2) All seized personal property referenced in paragraph (1) shall be forfeited in accordance with applicable law. [unless the prosecuting attorney responsible for the charges and the intellectual property owner consent in writing to another disposition.] Upon the conclusion of all criminal and civil forfeiture proceedings, the court shall order that

1 forfeited items bearing or consisting of a counterfeit mark  
2 be destroyed or alternatively disposed of in another manner  
3 with the written consent of the trademark owners and the  
4 prosecuting attorney responsible for the charges.

5 (3) If a person is convicted of an offense under this  
6 section, the court shall order the person to pay restitution  
7 to the trademark owner and to any other victim of the  
8 offense. In determining the value of the property loss  
9 involving an offense against the trademark owner, a court  
10 shall grant restitution for all amounts, including expenses  
11 incurred by the trademark owner in the investigation and  
12 prosecution of the offense as well as the disgorgement of any  
13 profits realized by a person convicted of the offense.

14 (g) Evidence.--Any Federal or State certificate of  
15 registration [of any intellectual property] shall be prima facie  
16 evidence of the facts stated therein.

17 (h) Remedies cumulative.--The remedies provided for in this  
18 section shall be cumulative to the other civil and criminal  
19 remedies provided by law.

20 (i) Definitions.--As used in this section, the following  
21 words and phrases shall have the meanings given to them in this  
22 subsection:

23 "Bodily injury." The term shall have the same meaning given  
24 it under section 2301 (relating to definitions).

25 "Counterfeit mark." [Any of the following:

26 (1) Any unauthorized reproduction or copy of  
27 intellectual property.

28 (2) Intellectual property affixed to any item knowingly  
29 sold, offered for sale, manufactured or distributed or  
30 identifying services offered or rendered, without the

authority of the owner of the intellectual property.] A  
spurious mark that meets all of the following:

(1) Is applied to, used or intended to be used in  
connection with an item or service.

(2) Is identical with or substantially indistinguishable  
from a mark registered and in use in this Commonwealth, any  
other state or on the principal register in the United States  
Patent and Trademark Office, whether or not the person knew  
the mark was registered.

(3) The application of which is either:

(i) likely to cause confusion, to cause mistake or  
to deceive; or

(ii) otherwise intended to be used on or in  
connection with the item or service for which the mark is  
registered.

["Intellectual property." Any trademark, service mark, trade  
name, label, term, device, design or word adopted or used by a  
person to identify that person's goods or services.]

"Item." Any of the following:

(1) Goods.

(2) Labels.

(3) Patches.

(4) Fabric.

(5) Stickers.

(6) Wrappers.

(7) Badges.

(8) Emblems.

(9) Medallions.

(10) Charms.

(11) Boxes.

1       (12) Containers.

2       (13) Cans.

3       (14) Cases.

4       (15) Hangtags.

5       (16) Documentation.

6       (17) Packaging.

7       (18) Any other components of a type or nature that are  
8       designed, marketed or otherwise intended to be used on or in  
9       connection with any goods or services.

10       "Retail value." [The counterfeiter's regular selling price  
11       for the item or service bearing or identified by the counterfeit  
12       mark. In the case of items bearing a counterfeit mark which are  
13       components of a finished product, the retail value shall be the  
14       counterfeiter's regular selling price of the finished product on  
15       or in which the component would be utilized.] One of the  
16       following:

17       (1) The counterfeiter's regular selling price for the  
18       item or service bearing or identified by a counterfeit mark,  
19       except that it shall be the retail price of the authentic  
20       counterpart if the item or service bearing or identified by a  
21       counterfeit mark would appear to a reasonably prudent person  
22       to be authentic. If no authentic reasonably similar  
23       counterpart exists, the retail value shall be the  
24       counterfeiter's regular selling price.

25       (2) If the items bearing a counterfeit mark are  
26       components of a finished product, the retail value shall be  
27       treated as if each component were a finished good and valued  
28       under paragraph (1).

29       "Serious bodily injury." The term shall have the same  
30       meaning given it under section 2301 (relating to definitions).

1       Section 2.   This act shall take effect in 60 days.