

---

THE GENERAL ASSEMBLY OF PENNSYLVANIA

---

HOUSE BILL

No. 727 Session of  
2009

---

INTRODUCED BY YOUNGBLOOD, CRUZ, CREIGHTON, HORNAMAN, W. KELLER,  
KORTZ, MILLER, MURT, READSHAW, SIPTROTH AND K. SMITH,  
MARCH 5, 2009

---

REFERRED TO COMMITTEE ON JUDICIARY, MARCH 5, 2009

---

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.] (Reserved).

18 (c) Penalties.--

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

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

6           (i) the defendant has previously been convicted  
7 under this section; [or]

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

13           (iii) bodily injury to another results from a  
14 violation of this section.

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

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

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

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

25           (iv) serious bodily injury to another results from a  
26 violation of this section.

27           (d) Quantity or retail value.--The quantity or retail value  
28 of items or services shall include the aggregate quantity or  
29 retail value of all items or services [bearing or identified by  
30 every counterfeit mark] the defendant manufactures, uses,

1 displays, advertises, distributes, offers for sale, sells or  
2 possesses.

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

8 (f) Seizure, forfeiture and disposition.--

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

17 (2) All seized personal property referenced in paragraph  
18 (1) shall be forfeited in accordance with applicable law.  
19 [unless the prosecuting attorney responsible for the charges  
20 and the intellectual property owner consent in writing to  
21 another disposition.] Upon the conclusion of all criminal and  
22 civil forfeiture proceedings, the court shall order that  
23 forfeited items bearing or consisting of a counterfeit mark  
24 be destroyed or alternatively disposed of in another manner  
25 with the written consent of the trademark owners and the  
26 prosecuting attorney responsible for the charges.

27 (3) If a person is convicted of an offense under this  
28 section, the court shall order the person to pay restitution  
29 to the trademark owner and to any other victim of the  
30 offense. In determining the value of the property loss

1 involving an offense against the trademark owner, a court  
2 shall grant restitution for all amounts, including expenses  
3 incurred by the trademark owner in the investigation and  
4 prosecution of the offense as well as the disgorgement of any  
5 profits realized by a person convicted of the offense.

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

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

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

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

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

18 (1) Any unauthorized reproduction or copy of  
19 intellectual property.

20 (2) Intellectual property affixed to any item knowingly  
21 sold, offered for sale, manufactured or distributed or  
22 identifying services offered or rendered, without the  
23 authority of the owner of the intellectual property.] A  
24 spurious mark that meets all of the following:

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

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

1 the mark was registered.

2 (3) The application of which is either:

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

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

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

11 "Item." Any of the following:

12 (1) Goods.

13 (2) Labels.

14 (3) Patches.

15 (4) Fabric.

16 (5) Stickers.

17 (6) Wrappers.

18 (7) Badges.

19 (8) Emblems.

20 (9) Medallions.

21 (10) Charms.

22 (11) Boxes.

23 (12) Containers.

24 (13) Cans.

25 (14) Cases.

26 (15) Hangtags.

27 (16) Documentation.

28 (17) Packaging.

29 (18) Any other components of a type or nature that are  
30 designed, marketed or otherwise intended to be used on or in

1 connection with any goods or services.

2 "Retail value." [The counterfeiter's regular selling price  
3 for the item or service bearing or identified by the counterfeit  
4 mark. In the case of items bearing a counterfeit mark which are  
5 components of a finished product, the retail value shall be the  
6 counterfeiter's regular selling price of the finished product on  
7 or in which the component would be utilized.] One of the  
8 following:

9 (1) The counterfeiter's regular selling price for the  
10 item or service bearing or identified by a counterfeit mark,  
11 except that it shall be the retail price of the authentic  
12 counterpart if the item or service bearing or identified by a  
13 counterfeit mark would appear to a reasonably prudent person  
14 to be authentic. If no authentic reasonably similar  
15 counterpart exists, the retail value shall be the  
16 counterfeiter's regular selling price.

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

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

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