

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, K. SMITH AND CALTAGIRONE, MARCH 5, 2009

SENATOR GREENLEAF, JUDICIARY, IN SENATE, AS AMENDED, JANUARY 26, 2010

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

10 [manufactures, uses, displays, advertises, distributes, ←

11 ~~transports,~~ offers for sale, sells or possesses with intent to ←

12 sell or distribute] AND WITH INTENT TO SELL OR TO OTHERWISE ←

13 TRANSFER FOR PURPOSES OF COMMERCIAL ADVANTAGE OR PRIVATE

14 FINANCIAL GAIN:

15 (1) MANUFACTURES;

16 (2) SELLS;

17 (3) OFFERS FOR SALE;

18 (4) DISPLAYS;

19 (5) ADVERTISES;

1           (6) DISTRIBUTES; OR

2           (7) TRANSPORTS any items or services bearing or  
3 identified by a counterfeit mark shall be guilty of the crime  
4 of trademark counterfeiting.

5           (b) [Presumption.--A person having possession, custody or  
6 control of more than 25 items bearing a counterfeit mark may be  
7 presumed to possess said items with intent to sell or  
8 distribute.] (Reserved).

9           (c) Penalties.--

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

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

15           (i) the defendant has previously been convicted  
16 under this section; ~~for~~ ←

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

22           ~~(iii) bodily injury to another results from a~~  
23 ~~violation of this section.~~ ←

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

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

28           (ii) the violation involves the manufacture or  
29 production of items bearing counterfeit marks; ~~for~~ ←

30           (iii) the violation involves 1,000 or more items

1 bearing a counterfeit mark or the total retail value of  
2 all items or services bearing or identified by a  
3 counterfeit mark is more than \$10,000~~[.]~~; ~~or~~ ←

4 ~~(iv) serious bodily injury to another results from a~~  
5 ~~violation of this section.~~ ←

6 (d) Quantity or retail value.--The quantity or retail value  
7 of items or services shall include the aggregate quantity or  
8 retail value of all items or services [bearing or identified by  
9 every counterfeit mark] the defendant manufactures, [uses, ←  
10 displays, advertises, distributes, offers for sale, sells or  
11 possesses] SELLS, OFFERS FOR SALE, DISPLAYS, ADVERTISES, ←  
12 DISTRIBUTES OR TRANSPORTS.

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

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

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

27 (2) (I) All seized personal property referenced in ←  
28 paragraph (1) shall be forfeited in accordance with  
29 [applicable law]. ~~[unless~~ LAW UNLESS the prosecuting ←  
30 attorney responsible for the charges and the intellectual

1 property owner consent in writing to another  
2 disposition.] THE PROCEDURES SET FORTH IN SECTION 6501(D)  
3 (RELATING TO SCATTERING RUBBISH). ←

4 (II) Upon the conclusion of all criminal and civil  
5 forfeiture proceedings, the court shall order that  
6 forfeited items bearing or consisting of a counterfeit  
7 mark be destroyed or alternatively disposed of in another  
8 manner with the written consent of the trademark owners  
9 and the prosecuting attorney responsible for the charges.

10 (3) (I) If a person is convicted of an offense under  
11 this section, the court shall order the person to pay  
12 restitution to the trademark owner and to any other  
13 victim of the offense. In determining the value of the  
14 property loss OFFENSE. ←

15 (II) IN DETERMINING THE VALUE OF THE PROPERTY LOSS  
16 involving an offense against the trademark owner, a court  
17 shall grant restitution for all amounts, including  
18 expenses incurred by the trademark owner in the  
19 investigation and prosecution of the offense as well as  
20 the disgorgement of any profits realized by a person  
21 convicted of the offense. ←

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

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

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



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

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

4 (1) Any unauthorized reproduction or copy of  
5 intellectual property.

6 (2) Intellectual property affixed to any item knowingly  
7 sold, offered for sale, manufactured or distributed or  
8 identifying services offered or rendered, without the  
9 authority of the owner of the intellectual property.] A

10 spurious mark that meets all of the following:

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

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

18 (3) The application of which is either:

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

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

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

27 "Item." Any of the following:

28 (1) Goods.

29 (2) Labels.

30 (3) Patches.

- 1           (4) Fabric.
- 2           (5) Stickers.
- 3           (6) Wrappers.
- 4           (7) Badges.
- 5           (8) Emblems.
- 6           (9) Medallions.
- 7           (10) Charms.
- 8           (11) Boxes.
- 9           (12) Containers.
- 10           (13) Cans.
- 11           (14) Cases.
- 12           (15) Hangtags.
- 13           (16) Documentation.
- 14           (17) Packaging.
- 15           (18) Any other components of a type or nature that are
- 16           designed, marketed or otherwise intended to be used on or in
- 17           connection with any goods or services.

18           "Retail value." [The counterfeiter's regular selling price  
19 for the item or service bearing or identified by the counterfeit  
20 mark. In the case of items bearing a counterfeit mark which are  
21 components of a finished product, the retail value shall be the  
22 counterfeiter's regular selling price of the finished product on  
23 or in which the component would be utilized.] One of the  
24 following:

- 25           (1) The counterfeiter's regular selling price for the
- 26           item or service bearing or identified by a counterfeit mark,
- 27           except that it shall be the retail price of the authentic
- 28           counterpart if the item or service bearing or identified by a
- 29           counterfeit mark would appear to a reasonably prudent person
- 30           to be authentic. If no authentic reasonably similar

1 counterpart exists, the retail value shall be the  
2 counterfeiter's regular selling price.

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

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



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