



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 4 July 2012**

**17779/1/09  
REV 1**

**DROIPEN 166  
WTO 283  
PI 146**

**DECLASSIFICATION**

---

of document:	17779/09 RESTREINT UE
dated:	22 December 2009
new status:	Public
Subject:	Anti-Counterfeiting Trade Agreement (ACTA) -Chapter 2 Section 3: Criminal enforcement

---

Delegations will find attached the declassified version of the above document.

The text of this document is identical to the previous version.

---

# RESTREINT UE



**COUNCIL OF  
THE EUROPEAN UNION**

**Brussels, 22 December 2009**

**17779/09**

**RESTREINT UE**

**DROIPEN 166  
WTO 283  
PI 146**

## **NOTE**

---

from :	Presidency
to:	Delegations
prev.doc.:	Doc.15044/09 DROIPEN 146 WTO 227 PI 108 RESTREINT UE
Subject :	Anti-Counterfeiting Trade Agreement (ACTA) -Chapter 2 Section 3: Criminal enforcement

---

## **INTRODUCTION**

The criminal enforcement Section of the Anti-counterfeiting Trade Agreement (ACTA) was discussed during the 6th Round of negotiations held in Seoul on 4-6 November 2009. The negotiating document representing the Member States' position, defended by the Presidency in Seoul, is set out in the Annex to document 15044/09 DROIPEN 146 WTO 227 PI 108 RESTREINT UE. At the end of the 6<sup>th</sup> Negotiating Round, the US distributed a consolidated draft text of the Agreement.<sup>1</sup>

In the Annex to the present document, the Presidency submits a working document, aiming at aligning the Member States position on the text of Chapter 2, Section 3: "Criminal Enforcement", as set out in the Annex to document 15044/09 RESTREINT UE, to the structure of the above mentioned consolidated text submitted by the US. The Presidency working document contains no changes with respect to the content of the provisions, as set out in document 15044/09 RESTREINT UE.

---

<sup>1</sup> Doc.DS 722/09 RESTREINT UE

## CHAPTER 2

### Section 3: Criminal enforcement

#### Article 2.14: Criminal offences

1.- Each Party shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting [or] [option EU: and] copyright or related rights piracy on a commercial scale. [EU Negotiator's note: The term "related rights" is defined by each Party in accordance with its international obligations].

Japan wants following wording to be included in this Article, in footnote 18 and in other related Articles: "counterfeiting trademark infringement caused by confusingly similar trademark goods or copyright.". EU does not support this proposal. As a fallback position the EU has decided to use the phrase "infringements of registered trademarks".

*Footnote number 18 from the Japan and US text: Each Party shall treat wilful importation or exportation of counterfeit trademark goods or pirated copyright goods as unlawful activities subject to criminal penalties under this article. A Party may comply with its obligations relating to exportation of pirated copyright goods through its measures concerning distribution. [EU: delete footnote]*

2.- Each Party shall provide for criminal procedures and penalties to be applied in cases of wilful importation and domestic use in the course of trade on a commercial scale of labels,

- (i) to which a mark has been applied, which is identical to or cannot be distinguished from a trademark registered in its territory, and
- (ii) which are intended to be used on either the goods or [services] which are identical to goods or [services] for which the trademark is registered.

# RESTREINT UE

3.- Each Party shall provide for criminal procedures and penalties to be applied [option Japan: in accordance with its laws and regulations,] against any person who, without authorisation of the holder of copyright or related rights in a motion picture or other audiovisual work, knowingly [option US: uses and audiovisual recording device to transmit or make] [option Japan: makes] a copy of [option Japan: , or transmits to the public] de motion picture or other audiovisual work, or any part thereof, from a performance of the motion picture or other audiovisual work in a motion picture exhibition facility open to the public.

[Australia, Switzerland, New Zealand: this article should be deleted.]

[Mexico: the term “knowingly” should be deleted, and the term “transmit” should be clarified.]

[Canada:

-delete option US “uses and audiovisual recording device to transmit or make”

-delete option Japan “transmits to the public”

-replace “motion picture or other audiovisual work, knowingly” with “cinematographic work”

-reflect the authorisation of the theatre manager.]

[EU: this article is still under examination.]

## Article 2.15:

[Option Japan, US: Criminal liability and penalties

Further to article 2.14.1 each Party shall provide penalties that include sentences of imprisonment as well as monetary fines sufficiently high to provide a deterrent to future acts of infringement, consistent with a policy of removing the monetary incentive of the infringer.]

*[US negotiator’s note: consistent with article 2.15, a provision will be included in the Enforcement Practises Section of this Agreement providing that each Party shall encourage its competent authorities to impose penalties at levels sufficient to provide a deterrent to future infringements, including imposition of actual terms of imprisonment. ] [Australia and Canada: this negotiator’s note should be deleted.]*

# RESTREINT UE

[Option EU: Liability, penalties and sanctions

- 1.- (i) Each Party shall adopt such measures as may be necessary, consistent with its legal principles, to establish the liability of legal persons for the offences referred to in Article 2.14.
  - (ii) Subject to the legal principles of the Party, the liability of legal persons may be criminal or non-criminal.
  - (iii) Such liability shall be without prejudice to the criminal liability of the natural persons who have committed the criminal offences.
- 2.- The provisions of this section shall apply to inciting, aiding and abetting the offences referred to in Article 2.14.
- 3.- (i) For the offences referred to in Article 2.14, each Party shall provide for effective proportionate and dissuasive penalties. The available penalties shall include imprisonment and monetary fines.
- EU Negotiator's note: This does not imply an obligation for a Party to provide for the courts a possibility to impose both penalties in parallel*
- (ii) For legal persons held liable under Article 2.15.1, each Party shall provide for effective, proportionate and dissuasive sanctions, including monetary sanctions.]

## **Article 2.16: Seizure, forfeiture [option EU:/confiscation] and destruction**

[EU: 1.- In case of an offence referred to in article 2.14,] each Party shall provide that its [judicial] [EU: competent] authorities shall have the authority to order the seizure of suspected counterfeit trademark goods or pirated copyright goods, any related materials and implement used in the commission of the alleged offence, [any] documentary evidence relevant to the alleged offence, and any assets derived from or obtained, directly or indirectly, through the infringing activity.

## RESTREINT UE

Footnote from Japan and US: Each Party may provide that its judicial authorities have the authority to order [Canada: fines or] the seizure of assets the value of which correspond to that of such assets derived from or obtained, directly or indirectly, through the infringing activity.

[Option Japan and US: Each Party shall provide that such orders need not individually identify the items that are subject to seizure, so long as they fall within specified categories in the relevant order.]

[Option EU: Each Party shall, if a prerequisite for such an order, according to its national law, is the identification of the item, ensure that the order need not determine the items that are subject to seizure in more detail than necessary to allow their identification for the purpose of the seizure.]

[EU: 2.- (i) For the offences referred to in Article 2.14, each Party shall provide that its competent authorities shall have the authority to order confiscation/forfeiture and/or destruction of all counterfeit trademark goods or pirated copyright goods, of materials and implements [predominantly] used in the creation of counterfeit trademark goods or pirated copyright goods, of the assets derived from, or obtained directly or indirectly, through the infringing activity.

The position of the Member States of the European Union on the inclusion/deletion in the text of the word “predominantly” is still under examination.

(ii) Each Party shall ensure that the counterfeit trademark goods and pirated copyright goods that have been confiscated/forfeited under this subparagraph shall, if not destroyed, be disposed of outside the channels of commerce, under the condition that the goods are not dangerous for the health and security of persons.

(iii) Each Party shall further ensure that confiscation/forfeiture and destruction under this subparagraph shall occur without compensation of any kind of the defendant.

(iv) Each Party may provide that its judicial authorities have the authority to order the confiscation/forfeiture of assets the value of which corresponds to that of such assets derived from or obtained directly or indirectly through the infringing activity.]

# RESTREINT UE

The original Japan/US proposal of article 2.16 b) and c) has a different structure than the EU proposal (article 2.16.2). The Japan/US proposal broadly coincides with i) and iii) of the EU proposal. The ii) of the EU proposal is also coincident with a Japan/Switzerland proposal. The iv) has just been tabled by the EU.

## **Article 2.17: *Ex officio* criminal enforcement**

Each Party shall provide that its [option Japan/Switzerland/Mexico/New Zealand: competent] authorities may act upon their own initiative to initiate [option Japan investigation]

[Australia/Switzerland/Mexico/New Zealand: investigation or legal action] [option US: legal action] with respect to the criminal offences described in [Sections 3 and 4.]

[Switzerland: ex officio action should be limited to “serious” criminal offences and be effected in accordance with “national laws”.]

[EU: this article is still under examination.]

## **[EU: Article 2.18: Rights of the defendant and third parties**

Each Party shall ensure that the rights of the defendants and third parties shall be duly protected and guaranteed.]