

IACC / INTA
Model State Anti-Counterfeiting Bill
An Act to Provide for the Protection of Trademarks against counterfeiting
(Be it enacted, etc.)

Section 1. Definitions

For the purposes of this section:

a. The term “counterfeit mark” means:

a spurious mark--

(1) that is applied to or used in connection with any goods, services, labels, patches, fabric, stickers, wrappers, badges, emblems, medallions, charms, boxes, containers, cans, cases, hangtags, documentation, or packaging or any other components of any type or nature that are designed, marketed, or otherwise intended to be used on or in connection with any goods or services;

(2) that is identical with, or substantially indistinguishable from, a mark registered in this state, any state or on the principal register in the United States Patent and Trademark Office and in use, whether or not the defendant knew such mark was so registered; and

(3) the application or use of which either (i) is likely to cause confusion, to cause mistake, or to deceive; or (ii) otherwise intended to be used on or in connection with the goods or services for which the mark is registered.

b. [Definition of “person” under state statutory scheme if necessary.]

c. The term “retail value” means:

1. the counterfeiter’s regular selling price for the goods or services, unless the goods or services bearing a counterfeit mark would appear to a reasonably prudent person to be authentic, then the retail value shall be the price of the authentic counterpart; or if no authentic reasonably similar counterpart exists, then the retail value shall remain the counterfeiter’s regular selling price.

2. in the case of labels, patches, stickers, wrappers, badges, emblems, medallions, charms, boxes, containers, cans, cases, hangtags, documentation, or packaging or any other components

of any type or nature that are designed, marketed, or otherwise intended to be used on or in connection with any goods or services, the retail value shall be treated as if each component was a finished good and valued as detailed in Section 1 (c) (1) above.

(Section 1(d) - 1(e) should be conformed to the pre-existing definitions within each state for bodily injury and serious bodily injury or their equivalents. The definitions below are based upon federal law.)

- d. the term “bodily injury” means—
 - (1) a cut, abrasion, bruise, burn, or disfigurement;
 - (2) physical pain;
 - (3) illness;
 - (4) impairment of the function of a bodily member, organ, or mental faculty; or
 - (5) any other injury to the body, no matter how temporary.

- e. the term “serious bodily injury” means bodily injury which involves—
 - (1) a substantial risk of death;
 - (2) extreme physical pain;
 - (3) protracted and obvious disfigurement; or
 - (4) protracted loss or impairment of the function of a bodily member, organ, or mental faculty.

Section 2. Presumption

A person having possession, custody or control of more than 25 goods, labels, patches, stickers, wrappers, badges, emblems, medallions, charms, boxes, containers, cans, cases, hangtags, documentation, or packaging or any other components of any type or nature bearing a counterfeit mark may be presumed not to be simply in possession of such, but to possess said items with intent to offer for sale, sell or distribute.

Section 3. Violation

Any person who knowingly manufactures, distributes, transports, offers for sale, sells, or possesses with intent to sell or distribute any goods, services, labels, patches, stickers, wrappers, badges, emblems, medallions, charms, boxes, containers, cans, cases, hangtags, documentation, or packaging or any other components of any type or nature that are designed, marketed, or otherwise intended to be used on or in connection with any goods or services bearing a counterfeit mark shall be guilty of:

a. Trademark Counterfeiting as Class ____ Misdemeanor if:

the offense involves less than 100 items bearing 1 or more counterfeit marks or the total retail value of \$ 2,500 or less.

b. Trademark Counterfeiting as a Class Felony, if :

1. the offense involves 100 or more, but less than 1000 items bearing 1 or more counterfeit marks or the total retail value is more than \$ 2,500 but less than \$10,000; or
2. the offense is a subsequent offense under paragraph 3(a).

c. Trademark Counterfeiting as a Class Felony, if :

1. the offense involves 1,000 or more items bearing 1 or more counterfeit marks or the total retail value is \$10,000 or greater; or
2. the offense is a subsequent felony under paragraph 3(b)(1) of this section; or
3. by the commission of any offense under this section, the offender knowingly or recklessly causes or attempts to cause the bodily injury of another.

d. Trademark Counterfeiting as a Class Felony, if:

by the commission of any offense under this section, the offender knowingly or recklessly causes or attempts to cause the serious bodily injury or death of another.

e. Any person convicted of an offense under this section shall be fined in accordance with [reference State statute re: fines in punishment of misdemeanors and felonies], or up to three times the retail value of the items seized, manufactured, and/or sold, whichever is greater.

Section 4. Seizure, Forfeiture, Disposition, and Restitution

- a. The following property shall be subject to forfeiture to the State of _____ and no property right shall exist in such property:
1. Any article bearing or consisting of a counterfeit mark used in committing a violation of this Act.
 2. Any property used, in any manner or part, to commit or to facilitate the commission of a violation of this Act.
- b.
- (1) The court, in imposing sentence on a person convicted of an offense under this section, shall order, in addition to any other sentence imposed, that the person forfeit to the State of _____, --
 - (A) any property constituting or derived from any proceeds the person obtained, directly or indirectly, as the result of the offense;
 - (B) any of the person's property used, or intended to be used, in any manner or part, to commit, facilitate, aid, or abet the commission of the offense; and
 - (C) any item that bears or consists of a counterfeit mark used in committing the offense.
 - (2) The forfeiture of property under subparagraph (1), including any seizure and disposition of the property and any related judicial or administrative proceeding, shall be governed by the procedures set forth in section _____.
- c. At the conclusion of all criminal and / or civil forfeiture proceedings, the court shall order that any forfeited item bearing or consisting of a counterfeit mark be destroyed or alternatively disposed of in another manner with the written consent of the trademark owners.
- d. When a person is convicted of an offense under this section, the court, pursuant to sections _____, shall order the person to pay restitution to the trademark owner and any other victim of the offense as an offense against property referred to in section _____. In determining the value of the property loss involving an offense against the trademark owner, a court shall grant restitution for any and all amounts, including, but not limited to, expenses incurred by the trademark owner in the investigation and/or prosecution of the offense as well as the disgorgement of any profits realized by a person convicted of such offense.

Section 5. Other Provisions

1. In this state, any state or federal certificate of registration shall be prima facie evidence of the facts stated therein.
2. The remedies provided for herein shall be cumulative to the other civil and criminal remedies provided by law.