



Training Manual on IP Crime Prosecution

8. Prosecutorial discretion

Law enforcers



- Investigating crime: police services.
- Inspectors: IP and tax. Their “police” powers may be limited.
- Right holders: own market surveillance provides a valuable tool and is indispensable for proper policing.

State interest in prosecuting

- local and regional industries,
- price levels,
- jobs,
- international trade relations,
- tax and customs income,
- public health and safety,
- and the prevention of corruption and organized crime.

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State interest in prosecuting

- Law enforcement priorities
- The nature and seriousness of the offense
- The deterrent effect of prosecution
- The individual's culpability
- The individual's criminal history
- The individual's willingness to cooperate in the investigation or prosecution of others
- The probable sentence and other consequences of conviction

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Decision to prosecute

- Different levels of criminality/criminal.
- Who to target effectively?
- Ordinarily, the prosecutor should commence prosecution if he believes that
 - the person's conduct constitutes an offence and that
 - the admissible evidence will probably be sufficient to obtain and sustain a conviction.

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Prosecutorial considerations: Health and safety

Whether the counterfeit goods present potential health or safety issues

- Counterfeit medications
- Food
- Spare parts
 - Vehicle and airplane parts

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Prosecutorial considerations: Scale

- The scale of (*e.g.*, the amount of illegitimate revenue and profit);
- The number of participants and the involvement of any organized criminal group;
- The scope of activities (*e.g.*, whether the subject infringes or traffics in multiple items or the infringes upon multiple industries or victims),
- The volume of infringing items

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Prosecutorial considerations: The Loss

- The scale of the victim's loss or potential loss,
- the size of the market for the infringed IP that is being undermined (*e.g.*, a best-selling software package or a famous trademark) and
- the impact of the infringement on that market.

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Prosecutorial considerations: The Victims

- Is the victim a member of a vulnerable class?
- Is the victim a willing participant?; and
- Is the purchasers a victim of a fraudulent scheme?

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Decision not to prosecute:

A provable case may be not be prosecuted when:

- prosecution would serve no substantial state interest;
- the person is subject to effective prosecution in another jurisdiction;
- an adequate non-criminal alternative to prosecution is available.

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Overlapping charges

- Pirated goods usually have counterfeit trademarks.
- If easier to prove counterfeiting than piracy, concentrate instead on counterfeiting.
- Anti-counterfeiting laws may be useful in combating crimes such as dealing in fake medicines.

Complementary charges: big fish

- Fraud
- Customs
- Tax
- Racketeering and money laundering
- Drug and food legislation
- Labour related legislation
- Aiding, abetting, attempt



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Alternative charges: municipal infringements

- Trading licences
- Trading zones
- Traffic offences
- Health regulations
- Aiding, abetting

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Intermediaries

- Consider liability of intermediaries with guilty knowledge: "Usually blame for counterfeiting goes to the manufacturing side, occasionally the demand side, but more focus should also go on what happens in between."
- Mall owners
- Shippers
- Bankers

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Onus



- Criminal case: beyond reasonable doubt.
- Is it justifiable to forego principle for the sake of expediency in the case of certain crimes?
- Presumptions: different countries different approaches.
- No presumptions in certain countries.

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Who may not be prosecuted

- Counterfeiting and piracy for personal and domestic use is not criminalized.
- The likelihood that someone would counterfeit for personal and domestic use is remote but it is different with piracy.

The complainant

- The right holder or his licensee or agent
- With *ex officio* action, such as customs seizures or police raids, the authorities are first on the scene and they are then dependent on the rights owners to provide them with the necessary evidence and support.

When is *ex officio* action justified?

- Whether enforcement should be left to right holders or whether *ex officio* action is preferable depends on local priorities and circumstances.
- *Ex officio* action against the producer, exporter, importer and wholesaler is fully justified.
- Private enforcement against a retailer (for example, a street trader) is in general impracticable and may also warrant *ex officio* action.

Diversion



- Plea bargaining
- Compounding:
 - In Thailand: always compoundable.
 - any offence which is prescribed to be a compoundable offence by accepting from the person
 - reasonably suspected of having committed such offence a sum of money.

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Abuse of criminal proceedings

- Rights holders may use the threat of criminal proceedings as leverage to obtain a civil settlement.
- Once settlement reached, they do not assist the prosecution.
- Rights holders may have no interest in criminal prosecution e.g. global settlement.

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Settlement between the complainant and the accused/defendant

- The criminal case is in a material sense in the hands of the right holder.
- Rights owners often settle the civil claim and then withdraw the complaint or fail to provide the necessary evidence.
- With adequate admissions from the accused, there may be no need for evidence from the right holder.
- Local law may require the consent of the prosecutorial authority of any settlement that has the effect of a withdrawal or abandonment of the charge.