



Prosecuting offences involving counterfeit goods

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Contents

1	Prosecuting a trade mark offence	1
2	Trade Marks Act 1994	9
3	Classification of trade marks	14
4	Prosecuting a copyright offence	21
5	Copyright, Designs & Patents Act 1988	26
6	Prosecuting conspiracy to defraud	36

Prosecuting a trade marks offence

Section 92 of the Trade Marks Act 1994 imposes criminal liability in respect of a number of activities. These offences have been rightly described as 'offences of near strict liability' and for a prosecutor, they represent one of the most straightforward and easily proved criminal charges.

s.92 Unauthorised use of trade mark, etc. in relation to goods

- (1) A person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor –
 - (a) applies to goods or their packaging a sign identical to or likely to be mistaken for a registered trade mark, or
 - (b) sells or lets for hire, offers or exposes for sale or hire or distributes goods which bear, or the packaging of which bears, such a sign, or
 - (c) has in his possession, custody or control in the course of a business any such goods with a view to the doing of anything, by himself or another, which would be an offence under paragraph (b).

- (2) A person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor –
 - (a) applies a sign identical to, or likely to be mistaken for, a registered trade mark to

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- material intended to be used -
 - (i) for labelling or packaging goods,
 - (ii) as a business paper in relation to goods, or
 - (iii) for advertising goods, or
- (b) uses in the course of a business material bearing such a sign for labelling or packaging goods, as a business paper in relation to goods, or for advertising goods, or
- (c) has in his possession, custody or control in the course of a business any such material with a view to the doing of anything, by himself or another, which would be an offence under paragraph (b).

- (3) A person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor -
 - (a) makes an article specifically designed or adapted for making copies of a sign identical to, or likely to be mistaken for, a registered trade mark, or
 - (b) has such an article in his possession, custody or control in the course of a business, knowing or having reason to believe that it has been, or is to be, used to produce goods, or material for labelling or packaging goods, as a business paper in relation to goods, or for advertising goods.

- (4) A person does not commit an offence under this section unless -
 - (a) the goods are goods in respect of which the trade mark is registered, or
 - (b) the trade mark has a reputation in the United Kingdom and the use of the sign takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the trade mark.

- (5) It is a defence for a person charged with an offence under this section to show that he believed on reasonable grounds that the use of the sign in the manner in which it was used, or was to be used, was not an infringement of the registered trade mark.

- (6) A person guilty of an offence under this section is liable -
 - (a) on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both;
 - (b) on conviction on indictment to a fine or imprisonment for a term not exceeding ten years, or both.

On 22 May 2003 the House of Lords delivered judgment in *R v Johnstone* [2003] UKHL 28. Of most significance, their Lordships concluded that, for the prosecutor, section 92 provided a self contained code for determining liability in crime. (i.e. it was not necessary for a prosecutor to prove matters of civil law). As a result of this judgment it is now possible to produce a definitive list of the ingredients of the offence contrary to section 92 of the Trade Marks Act 1994.

Elements of offence

By way of example, the following may be identified as the ingredients of the offences contrary to section 92(1) of the Act;

- 1) On the date of the alleged offence the trade mark in question was registered.
- 2) The registration of the trade mark had been advertised/published before the date of the alleged offence.
- 3) The accused was a party to:
 - a) Applying a sign to goods or their packaging [s.92(1)(a)],
 - b) Selling, letting for hire, offering or exposing for sale or hire, or distributing, goods which bore a sign [s.92(1)(b)],
 - c) Possession, custody or control, in the course of business, of goods which bore a sign with a view to the goods being sold, distributed or let for hire [s.92(1)(C)],
- 4) The sign bears a physical similarity to the registered trade mark such that it can be said to be identical or likely to be mistaken for the registered trade mark.
- 5) The sign is being used as a trade mark (a badge of origin).
- 6) The goods were goods,
 - a) in respect of which the trade mark was registered, or
 - b) the trade mark has a reputation in the United Kingdom and the use of the sign takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the trade mark.
- 7) The defendant had a view to gain for himself or another or an intention to cause loss to another.
- 8) The proprietor of the trade mark had not consented to the alleged use.

Proof of the subsistence of a registered trade mark

The 'fact' of a registered trade mark may be proved by adducing a copy of the Trade mark Certificate. The Certificate is an extract from a public register and as such, is admissible in evidence without more. No witness is required to produce or exhibit the document.

Section 72 of the Act provides that the effect of adducing the Certificate in evidence is to create a rebuttable presumption that the trade mark in question was validly registered. Only the High Court or the Registrar can determine the validity of registration. Accordingly, a defendant in criminal proceedings who wishes to challenge this presumption must go to the expense and trouble of advancing his arguments in the civil courts.

Section 9 of the Act provides that no criminal offence can be committed before the day on which the registration of the trade mark in question was advertised in the Trade mark Journal. This date is set out on and is proved by the Certificate.

Identical or likely to be mistaken for

Liability in crime is imposed only if the sign in question is 'identical to or likely to be mistaken for a registered trade mark'. This ingredient of the offence incorporates two distinct concepts.

The first is that the sign in question must bear a sufficient degree of physical similarity to the registered trade mark. This test of physical similarity must be undertaken by the tribunal of fact. The second concept is that the sign in question must be used as a trade mark.

Use as a trade mark

A trade mark is a device designed to indicate trade origin i.e. that the goods to which the trade mark has been applied have been made by or with the authority of the proprietor of the trade mark in question. (see section 1(1) of the Trade marks Act 1994). A trade mark thus serves as a badge of origin or authenticity. *R v Johnstone* [2003] UKHL 28 H.L.

Once the mark is registered the Act provides that the proprietor has the exclusive right to use the mark as a badge of origin. Others are not permitted, amongst other things, to use 'a sign identical to or likely to be mistaken for a registered trade mark' as a badge of origin without the permission of the proprietor of the trade mark in question.

However, other persons are entitled to use the mark for other (non-badge of origin) purposes. By way of example, 'Ford' is a registered trade mark but the word may be used lawfully to describe a water crossing. Similarly, the manufacturer of a generic motor part may label it as a 'part for a Ford motor car' but he may not label it as a 'Ford Part'. That is because the latter conveys the message that the goods have been made by or with the authority of the Ford Motor Company whilst the former merely describes a function of the goods.

In summary the rights of the proprietor of a registered trade mark are infringed if:

- (1) another uses, in relation to goods, a sign identical or likely to be mistaken for the registered trade mark,
- (2) the offending sign is being used as a badge of origin, and
- (3) the proprietor of the trade mark in question has not consented to this use.

In *R v Johnstone* (supra) the House of Lords observed that the rights of the proprietor of a registered trade mark were not infringed by the use of a sign identical or likely to be mistaken for the mark if that use was for 'purely descriptive purposes'. That is because the use of a sign to describe a characteristic of the goods to which it has been applied is not usage in a trade mark sense (i.e. as a badge of origin).

By way of example, many performers such as 'The Beatles' register their stage names as trade marks. The words 'The Beatles' could be applied to a CD with one of three consequences:

- (1) to denote that the CD contained music performed by The Beatles and no more (a purely descriptive use), or
- (2) to denote that the CD had been made by or with the authority of the The Beatles (use as a trade mark), or
- (3) to convey both matters simultaneously (use as a trade mark).

The use in example (2) and (3) above is prohibited by the Act.

The nature of the use of the offending sign is a question of fact to be determined in each case. The appropriate test is whether there is a risk that the average 'consumer' of the goods in question would believe that the goods had been authorised by the proprietor of the trade mark. The term 'consumer' is not restricted to the purchaser but includes any member of the public who might subsequently come to possess the goods in question, such as the recipient of a present. It is for this reason that disclaimers at the point of sale are of no effect. That is because whilst the purchaser may not believe that the goods have been authorised by the proprietor of the trade mark in question, a disclaimer at the point of sale would not operate on the mind of a member of the public who subsequently came across the goods¹.

The characteristics possessed by the average consumer are determined by the nature of the goods in question. For the majority of goods that will be a reasonably prudent and circumspect adult. But in relation to a toy aimed at primary school children which costs £1, the average consumer would be a child of that age. If consumers in two distinct groups are likely to come across the goods in question, the test of the average consumer involves considering both groups. Thus, if a toy aimed at primary school children costs £100, the average consumer would be both the purchasing adult and the receiving child and infringement is made out if there is a risk that the average consumer in either group will believe that the goods have been authorised by the proprietor of the trade mark in question.

Class of goods

Marks become registered by making an application to the Registrar. He maintains a 'register' which lists all those marks that have been registered. The register is divided into 45 Classes, 34 for goods and 11 for services. This classification is an administrative measure, designed to aid the process of searching. The Trade mark Certificate indicates the classes of goods in respect of which the trade mark is registered.

By way of example, Class 9 includes all trade marks registered in respect of any form of sound recording. In particular it includes 'compact discs containing recorded data, sound and/or video' The offence may be made out in one of two ways. Under the first limb, if the sign in question is applied to goods of a class in respect of which the trade mark is registered, or under the second limb, the trade mark has a reputation in the United Kingdom and the use of the sign takes or

¹ Arsenal Football Club plc v Reed [2003] EWCA Civ 96 C.A. , Anheuser-Bush Inc v Budejovicky Budvar na [2004] C-245/02; Bjornekulla Fruktindustrier AB v Procordia Food AB [2003] C-371/02

would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the trade mark.

In cases where the trade mark has not been registered in respect of the goods in question, [and hence the prosecutor is alleging some derogatory use under the second limb] the Court of Appeal in *R v Johnstone & Others* [2002] EWCA Crim 194 suggested a simple and straightforward direction:

'[did using the sign in the manner in which it was used] take unfair advantage of the repute of the trade mark by unfairly representing to the public who see the mark and are familiar with it, that the goods originate from the same people as make other goods which bear the mark.'

View to gain

The *mens rea* of the offences is 'a view to gain for himself or another, or with intent to cause loss to another'. Accordingly, the accused must have a commercial or a commercially destructive motive. In *Johnstone* neither the House of Lords nor the Court of Appeal defined this expression although the preferred view is that 'with a view to gain' relates to some additional benefit that accrues from use of the sign in question. If this view is correct, the ingredient adds little to the offence because it can always be observed 'why trouble to use the sign unless it is believed that some extra benefit will flow from its use?'

Consent

The conduct prohibited by section 92 is that which is committed without the consent of the proprietor of the registered trade mark in question.

The Trade mark Certificate sets out the identity and address of the proprietor. A prosecutor must ensure that he has evidence from that named person or evidence from another who is properly and specifically authorised to speak on behalf of the proprietor.

Section 12 provides for the exhaustion of the proprietor's rights. If the proprietor of a registered trade mark consents to goods bearing the mark being placed on the market in any country within the EEA those goods then become freely available throughout the EEA. In effect, the proprietor is presumed, by the operation of a rule of law, to have consented to the use of his mark. Section 12 only operates if the proprietor's consent to the goods being placed on the market within the EEA is express. Consent cannot be inferred.

It should also be noted that section 92 is not limited in applicability to counterfeit goods. In theory, the offences can be made out even if the goods are 'genuine' provided that the proprietor has not expressly consented to their sale within the EEA.

The defence

Section 92(5) provides that 'it is a defence for a person charged with an offence under this section to show that he believed on reasonable grounds that the use of the sign in the manner in which it was used, or was to be used, was not an infringement of the registered trade mark'.

In *Johnstone* their Lordships followed the decision of the Court of Appeal in *Roger Sliney v London Borough of Havering* [2002] EWCA Crim 2558 (Rose L.J., Hughes J. and Davis J.) to hold that section 92(5) imposed a legal burden on an accused.

It follows that a defendant who wishes to rely on the statutory defence must prove, on the balance of probabilities, that:

- (a) he believed that he was entitled to use the sign in the manner complained of, AND
- (b) That belief was based, when viewed objectively, on reasonable grounds.

In *Johnstone* their Lordships confirmed the general principle that if a defendant raises a defence he is entitled to have that defence left to the jury notwithstanding the fact that it is ridiculous and bound to fail. Their Lordships also concluded that the decision in *Torbay Council v Singh* [1999] 2 Cr App R 451 went too far in determining that ignorance of the fact of registration could never amount to a defence. As a result, an accused who sought advice from a trade mark agent and was negligently informed that a mark was not registered, would have a good defence. That is not only good law but good sense.

Each case in which the defence is raised will turn on its own facts. The defence will most commonly be raised by a defendant who claims to possess any of the following beliefs:

- (a) a belief that the goods in question were genuine,
- (b) a belief of any matter that would afford a defence to a civil litigant. This includes a belief that:
 - (1) the mark was being used for purely descriptive purposes in accordance with honest commercial practice (section 11 defence), or
 - (2) the conduct complained of would not give rise to civil liability under section 10, or
 - (3) the goods in question were in free circulation in the EEA (section 12 defence)

Accordingly, a defendant may introduce concepts of civil law but if he does, proof of those matters rests on him.

If such matters are raised at the interview stage the prudent investigator should ensure that questions are asked to establish that the suspect did not hold that belief OR there were no reasonable grounds on which that belief could have been based.

Conclusion

In order to succeed a prosecutor requires the following evidence:

- A copy of the trade mark certificate relating to the trade mark in question, (see attached sample)
- Evidence of the activity complained of (e.g. sale, etc),
- Evidence that that activity was committed in the course of a trade or business,
- Evidence that the defendant did not believe that he was entitled to use the mark in question in the manner complained of OR evidence that any such belief was not based on reasonable grounds, and
- Evidence from the proprietor of the registered trade mark in question that they had not consented to the alleged use.

Sample Information

AB on [insert date] at [insert location] with a view to gain for himself or another or with intent to cause loss to another, and without the consent of the proprietor of a registered trade mark namely [insert details of TM] had in his possession, custody or control in the course of a business goods namely [insert details] which bore or the packaging of which bore a sign identical to or likely to be mistaken for the registered trade mark with a view to the sale, hire or distribution of the said goods
CONTRARY TO SECTION 91(1)(c) OF THE TRADE MARKS ACT 1994

The Trade Mark Act 1994

s.1 Trade marks

- (1) In this Act a 'trade mark' means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings

s.9 Rights conferred by registered trade mark

- (1) The proprietor of a registered trade mark has exclusive rights in the trade mark which are infringed by use of the trade mark in the United Kingdom without his consent. The acts amounting to infringement if done without the consent of the proprietor, are specified in section 10.
- (2) References in this Act to the infringement of a registered trade mark are to any such infringement of the rights of the proprietor.
- (3) The rights of the proprietor have effect from the date of registration (which in accordance with section 40(3) is the date of filing of the application for registration: Provided that –
 - (a) No infringement proceedings may be begun before the date on which the trade mark is in fact registered, and
 - (b) No offence under section 92 (unauthorised use of trade mark &c in relation to goods) is committed by anything done before the date of publication of the registration.

s.10 Infringement of registered trade mark

- (1) A person infringes a registered trade mark if he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
- (2) A person infringes a registered trade mark if he uses in the course of trade a sign where because-
 - (a) the sign is identical with the trade mark and is used in relation to goods or services similar to those for which the trade mark is registered, or
 - (b) the sign is similar to the trade mark and is used in relation to goods or services identical with or similar to those for which the trade mark is registered, there exists a likelihood or confusion on the part of the public, which includes the likelihood of association with the trade mark.
- (3) A person infringes a registered trade mark if he uses in the course of trade a sign which –
 - (a) is identical with or similar to the trade mark, and
 - (b) is used in relation to goods or services which are not similar to those for which the trade mark is registered, where the trade mark has a reputation in the United Kingdom and the use of the sign, being without due cause, takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark.
- (4) For the purposes of this section a person uses a sign if, in particular, he –
 - (a) affixes it to goods or the packaging thereof,

- (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign,
- (c) imports or exports goods under the sign, or
- (d) uses the sign on business paper or in advertising.
- (5) A person who applies a registered trade mark to material intended to be used for labelling or packaging goods, as a business paper, or for advertising goods or services, shall be treated as a party to any use of the material which infringes the registered trade mark if when he applied the mark he knew or had reason to believe that the application of the mark was not duly authorised by the proprietor or a licensee.
- (6) Nothing in the preceding provisions of this section shall be construed as preventing the use of a registered trade mark by any person for the purpose of identifying goods or services as those of the proprietor or a licensee. But any such use otherwise than in accordance with honest practices in industrial or commercial matters shall be treated as infringing the registered trade mark if the use without due cause takes unfair advantage of, or is detrimental to, the distinctive character or repute of the trade mark.

s.11 Limits on effect of registered trade mark

- (1) A registered trade mark is not infringed by the use of another registered trade mark in relation to goods or services for which the latter is registered (but see section 47(6) (effect of declaration of invalidity of registration)).
- (2) A registered trade mark is not infringed by –
 - (a) the use by a person of his own name and address,
 - (b) the use of indications concerning the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services, or
 - (c) the use of the trade mark where it is necessary to indicate the intended purpose of a product or service (in particular, as accessories or spare parts) provided the use is in accordance with honest practices in industrial or commercial matters.
- (3) A registered trade mark is not infringed by the use in the course of trade in a particular locality of an earlier right which applies only in that locality ...

s.12 Exhaustion of rights conferred by registered trade mark

- (1) A registered trade mark is not infringed by the use of the trade mark in relation to goods which have been put on the market in the European Economic Area under that trade mark by the proprietor or with his consent ...

s.92 Unauthorised use of trade mark, &c in relation to goods
see above

s.92A Search Warrants

- (1) Where a justice of the peace (in Scotland, a sheriff or justice of the peace) is satisfied by information on oath given by a constable (in Scotland, by evidence

- on oath) that there are reasonable grounds for believing –
- (a) that an offence under section 92 (unauthorised use of a trade mark, etc. in relation to goods) has been or is about to be committed in any premises, and
 - (b) that evidence that such an offence has been or is about to be committed is in those premises,
- he may issue a warrant authorising a constable to enter and search the premises, using such reasonable force as is necessary.
- (2) The power conferred by subsection (1) does not, in England and Wales, extend to authorising a search for material of the kinds mentioned in section 9(2) of the Police and Criminal Evidence Act 1984 (c.60) (certain classes of personal or confidential material).
 - (3) A warrant under subsection (1) –
 - (a) may authorise persons to accompany any constable executing the warrant, and
 - (b) remains in force for 28 days from the date of its issue.
 - (4) In executing a warrant issued under subsection (1) a constable may seize an article if he reasonably believes that it is evidence that any offence under section 92 has been or is about to be committed.
 - (5) In this section ‘premises’ includes land, buildings, fixed or movable structures, vehicle, vessels, aircraft and hovercraft.

s.97 Forfeiture: England and Wales or Northern Ireland

- (1) In England and Wales or Northern Ireland where there has come into the possession of any person in connection with the investigation or prosecution of a relevant offence—
 - (a) goods which, or the packaging of which, bears a sign identical to or likely to be mistaken for a registered trade mark,
 - (b) material bearing such a sign and intended to be used for labelling or packaging goods, as a business paper in relation to goods, or for advertising goods, or
 - (c) articles specifically designed or adapted for making copies of such a sign, that person may apply under this section for an order for the forfeiture of the goods, material or articles.
- (2) An application under this section may be made—
 - (a) where proceedings have been brought in any court for a relevant offence relating to some or all of the goods, material or articles, to that court;
 - (b) where no application for the forfeiture of the goods, material or articles has been made under paragraph (a), by way of complaint to a magistrates’ court.
- (3) On an application under this section the court shall make an order for the forfeiture of any goods, material or articles only if it is satisfied that a relevant offence has been committed in relation to the goods, material or articles.
- (4) A court may infer for the purposes of this section that such an offence has been committed in relation to any goods, material or articles if it is satisfied that such an offence has been committed in relation to goods, material or articles which are representative of them (whether by reason of being of the same design or part of the same consignment or batch or otherwise).
- (5) Any person aggrieved by an order made under this section by a magistrates’

court, or by a decision of such a court not to make such an order, may appeal against that order or decision—

- (a) in England and Wales, to the Crown Court;
 - (b) in Northern Ireland, to the county court;
- and an order so made may contain such provision as appears to the court to be appropriate for delaying the coming into force of the order pending the making and determination of any appeal (including any application under section 111 of the [1980 c. 43.] Magistrates' Courts Act 1980 or Article 146 of the [S.I. 1981/1675 (N.I. 26).] Magistrates' Courts (Northern Ireland) Order 1981 (statement of case)).
- (6) Subject to subsection (7), where any goods, material or articles are forfeited under this section they shall be destroyed in accordance with such directions as the court may give.
 - (7) On making an order under this section the court may, if it considers it appropriate to do so, direct that the goods, material or articles to which the order relates shall (instead of being destroyed) be released, to such person as the court may specify, on condition that that person—
 - (a) causes the offending sign to be erased, removed or obliterated, and
 - (b) complies with any order to pay costs which has been made against him in the proceedings for the order for forfeiture.
 - (8) For the purposes of this section a 'relevant offence' means an offence under section 92 above (unauthorised use of trade mark, &c. in relation to goods) or under the [1968 c. 29.] Trade Descriptions Act 1968 or any offence involving dishonesty or deception.

s.101 Offences committed by partnerships and bodies corporate

- (1) Proceedings for an offence under this Act alleged to have been committed by a partnership shall be brought against the partnership in the name of the firm and not in that of the partners; but without prejudice to any liability of the partners under subsection (4) below.
- (2) The following provisions apply for the purposes of such proceedings as in relation to a body corporate—
 - (a) any rules of court relating to the service of documents;
 - (b) in England and Wales or Northern Ireland, Schedule 3 to the [1980 c. 43.] Magistrates' Courts Act 1980 or Schedule 4 to the [S.I. 1981/1675 (N.I. 26).] Magistrates' Courts (Northern Ireland) Order 1981 (procedure on charge of offence).
- (3) A fine imposed on a partnership on its conviction in such proceedings shall be paid out of the partnership assets.
- (4) Where a partnership is guilty of an offence under this Act, every partner, other than a partner who is proved to have been ignorant of or to have attempted to prevent the commission of the offence, is also guilty of the offence and liable to be proceeded against and punished accordingly.
- (5) Where an offence under this Act committed by a body corporate is proved to have been committed with the consent or connivance of a director, manager,

secretary or other similar officer of the body, or a person purporting to act in any such capacity, he as well as the body corporate is guilty of the offence and liable to be proceeded against and punished accordingly.

s.103 Minor definitions

- (1) In this Act –
‘trade’ includes any business or profession.

s.104 Index of defined expressions

In this Act the expressions listed below are defined by or otherwise fall to be construed in accordance with the provisions indicated –
Infringement (of registered trade mark) sections 9(1) and (2) and 10

Register of trade marks

The Register of trade marks is divided into 45 classes, 34 in respect of goods and 11 in respect of services. Note that the offence contrary to section 92 of the Act may only be committed in relation to goods.

Goods

- Class 1 Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry. Also in this class are chemicals for the making of products belonging to other classes. Does not include fungicides, herbicides, insecticides or preparations for destroying vermin which are in Class 5.
- Class 2 Paints, varnishes, lacquers; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins; metals in foil and powder form for painters, decorators, printers and artists. Does not include paint boxes for children which are in Class 16 or insulating paints and varnishes which are in Class 17.
- Class 3 Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices. Also in this class are deodorants for personal use. Does not include air deodorising preparations which are in Class 5 or scented candles which are in Class 4.
- Class 4 Industrial oils and greases; lubricants; dust absorbing, wetting and binding compositions; fuels (including motor spirit) and illuminants; candles and wicks for lighting. Also in this class are combustible fuels and scented candles. Does not include fuel for nuclear reactors or electricity which are both in Class 1.
- Class 5 Pharmaceutical and veterinary preparations; sanitary preparations for medical purposes; dietetic substances adapted for medical use, food for babies; plasters, materials for dressings; material for stopping teeth, dental wax; disinfectants; preparations for destroying vermin; fungicides, herbicides. Also in this class are foods and beverages which are adapted for medical purposes. Does not include supportive bandages which are in Class 10.
- Class 6 Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.

Also in this class are unwrought and partly wrought common metals as well as simple products made of them; metallic windows and doors and also metallic framed conservatories.

Class 7 Machines and machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.

Also in this class are parts of engines and motors; some parts for vehicles, (e.g. exhausts for vehicles); vacuum cleaners.

Does not Include engines or motors for land vehicles which are in Class 12 or specialist machines (e.g. weighing machines are in Class 9).

Class 8 Hand tools and implements (hand operated); cutlery; side arms; razors.

Also in this class are electric razors and hair cutters; cutlery made of precious metal.

Does not Include surgical cutlery which is in Class 10 or hand held and electrically powered tools, (e.g. electric drills are in Class 7).

Class 9 Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin operated apparatus; cash registers; calculating machines, data processing equipment and computers; fire-extinguishing apparatus.

Also in this class are computer hardware and firmware; computer software (including software downloadable from the Internet); compact discs; digital music (downloadable from the Internet); telecommunications apparatus; computer games equipment adapted for use with TV receivers; mouse mats; mobile phone accessories; contact lenses, spectacles and sunglasses; clothing for protection against accident, irradiation or fire.

Does not Include printed computer manuals which are in Class 16, self contained computer games equipment which is in Class 28, various electrical items (e.g. electric screwdrivers are in Class 7 and electric toothbrushes are in Class 21).

Class 10 Surgical, medical, dental and veterinary apparatus and instruments, artificial limbs, eyes and teeth; orthopaedic articles; suture materials.

Also in this class are electro-medical or surgical apparatus; massage apparatus.

Does not Include contact lenses, spectacles or sunglasses which are in Class 9 or wheelchairs which are in Class 12.

Class 11 Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.

Also in this class are air conditioning apparatus; electric kettles; gas and electric cookers; vehicle lights.

Class 12 Vehicles; apparatus for locomotion by land, air or water.

Also in this class are motors and engines for land vehicles and certain other parts and fittings, (e.g. vehicle body parts and transmissions).

Does not Include certain parts or fittings for vehicles, (e.g. exhausts and starters are in Class 7, lights and air conditioning units are in Class 11) or children's toy bicycles which are in Class 28.

Class 13 Firearms; ammunition and projectiles, explosives; fireworks.

Does not Include apparatus for use in playing paint ball combat games which are in Class 28.

Class 14 Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.

Also in this class are clocks and watches; costume jewellery.

Does not Include certain precious metal items, (e.g. cutlery is in Class 8, pens are in Class 16).

Class 15 Musical instruments.

Also in this class are stands and cases adapted for musical instruments.

Class 16 Paper, cardboard and goods made from these materials, not included in other classes; printed matter; book binding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks.

Also in this class are disposable nappies of paper for babies; printed publications.

Does not Include adhesives for industrial purposes which are in Class 1, electronic publications (downloadable) which are in Class 9, providing electronic publications (not downloadable) which are in Class 41 or wallpaper which is in Class 27.

Class 17 Rubber, gutta-percha, gum, asbestos, mica and goods made from these materials and not included in other classes; plastics in extruded form for use in manufacture; packing, stopping and insulating materials; flexible pipes, not of metal.

Also in this class are semi-finished plastics materials for use in further manufacture.

Does not Include unprocessed plastics in the form of liquids, chips, granules etc which are in Class 1.

Class 18 Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.

Also in this class are handbags, rucksacks, purses; clothing for animals.

Does not Include leather clothing which is in Class 9 (for protection against injury) or in Class 25 (ordinary apparel); certain specialist leather articles, (e.g. cheque book holders are in Class 16).

Class 19 Building materials (non-metallic); non-metallic rigid pipes for building; asphalt, pitch and bitumen; non-metallic transportable buildings; monuments, not of metal.

Also in this class are non-metallic framed conservatories, doors and windows.

Class 20 Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.

Also in this class are both metallic and non-metallic furniture including garden furniture; pillows and cushions.

Does not Include duvets or covers for pillows, cushions or duvets which are in Class 24, furniture adapted for medical use which is in Class 10 or furniture adapted for laboratory use which is in Class 9.

Class 21 Household or kitchen utensils and containers (not of precious metal or coated therewith); combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steel wool; un-worked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes.

Also in this class are both electric and non-electric toothbrushes.

Does not Include electric kitchen appliances, (e.g. electric food processors are in Class 7, electric kettles are in Class 11) or kitchen and table cutlery which is in Class 8.

Class 22 Ropes, string, nets, tents, awnings, tarpaulins, sails, sacks and bags (not included in other classes); padding and stuffing materials (except of rubber or plastics); raw fibrous textile materials.

Also in this class are bags and sacks for transporting bulk materials.

Class 23 Yarns and threads, for textile use.

Class 24 Textiles and textile goods, not included in other classes; bed and table covers.

Also in this class are textile piece goods; textiles for making articles of clothing.

Does not Include table linen of paper which is in Class 16 or electric blankets (not for medical use) which are in Class 11.

Class 25 Clothing, footwear, headgear.

Does not Include clothing for the prevention of accident and injury which is in Class 9, surgeons' clothing which is in Class 10 or clothing for animals which is in Class 18.

Class 26 Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.

Also in this class are dressmakers' articles; badges for wear (other than precious metal badges).

Class 27 Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).

Also in this class are wallpaper.

Does not Include mouse mats which are in Class 9, mats specifically shaped/adapted for vehicles which are in Class 12 or travellers' rugs which are in Class 24.

Class 28 Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees.

Also in this class are hand-held computer games equipment which is self contained (not adapted for use with TV receivers).

Does not Include computer games equipment adapted for use with TV receivers or software for all types of electronic games which are in Class 9.

Class 29 Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.

Also in this class are prepared meals and snacks whose main ingredients are proper to this class, (e.g. soups and potato crisps).

Does not Include sandwiches which are in Class 30 or foodstuffs for animals which are in Class 31.

Class 30 Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard; vinegar, sauces (condiments); spices; ice.

Also in this class are prepared meals and snacks whose main ingredients are proper to this class, (e.g. pizzas, pies and pasta dishes).

Does not Include foodstuffs for animals which are in Class 31.

Class 31 Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables, seeds, natural plants and flowers; foodstuffs for animals; malt.

Also in this class are all food and beverages for animals.

Class 32 Beers; mineral and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

Also in this class are shandy, de-alcoholised drinks, non-alcoholic beers and wines.

Does not Include tea, coffee or chocolate-based beverages which are in Class 30.

Class 33 Alcoholic beverages (except beers).

Also in this class are wines, spirits and liqueurs; alcopops.

Does not Include beers which are in Class 32.

Class 34 Tobacco; smokers' articles; matches.

Also in this class are lighters for smokers.

Services

Class 35 Advertising; business management; business administration; office functions.

Also in this class are the organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; opinion polling; data processing; provision of business information; certain specific services provided by retailers.

Does not Include computer programming which is in Class 42 or raising finance for business which is in Class 36.

Class 36 Insurance; financial affairs; monetary affairs; real estate affairs.

Also in this class are building society services; banking (including home banking); stockbroking; financial services provided via the Internet; issuing of tokens of value in relation to bonus and loyalty schemes; provision of financial information.

Does not Include accountancy which is in Class 35, lottery services which are in Class 41 or surveying and conveyancing services which are in Class 42.

Class 37 Building construction; repair; installation services.

Also in this class are installation, maintenance and repair of computer hardware; painting and decorating.

Does not Include installation, maintenance and repair of computer software which is in Class 42.

Class 38 Telecommunications.

Also in this class are all telecommunications services, (e.g. e-mail services and those provided for the Internet); providing user access to the Internet (service providers); operating of search engines.

Does not Include creating, maintaining or hosting web sites which are in Class 42.

Class 39 Transport; packaging and storage of goods; travel arrangement.

Also in this class are distribution of electricity; travel information.

Does not Include travel insurance which is in Class 36 or booking holiday accommodation which is in Class 43.

Class 40 Treatment of materials.

Also in this class are the development, duplicating and printing of photographs; generation of electricity.

Class 41 Education; providing of training; entertainment; sporting and cultural activities.

Also in this class are electronic games services provided by means of the Internet; the provision of on-line electronic publications and digital music (not downloadable) from the Internet.

Does not Include downloadable on-line electronic publications or digital music which are in Class 9 or educational materials in printed form which are in Class 16.

Class 42 Scientific and technological services and research and design relating thereto; industrial analysis and research services; design and development of computer hardware and software; legal services.

Also in this class are installation, maintenance and repair of computer software; computer consultancy services; the following Internet related services are also proper to this class: design, drawing and commissioned writing for the compilation of web sites; creating, maintaining and hosting the web sites of others; compilation, creation and maintenance of a register of domain names; leasing of access time to a computer database (the last item reflects the leasing of access time to a computer database on a dedicated line and not access provided by Internet Service Providers to databases in general which is in Class 38).

Does not Include providing access to the Internet or portal services which are in Class 38.

Class 43 Services for providing food and drink; temporary accommodation.

Also in this class are restaurant, bar and catering services; provision of holiday accommodation; booking/reservation services for restaurants and holiday accommodation.

Does not Include provision of permanent accommodation which is in Class 36 or the arranging of travel by tourist agencies which is in Class 39.

Class 44 Medical services; veterinary services; hygienic and beauty care for human beings or animals; agriculture, horticulture and forestry services.

Also in this class are dentistry services; medical analysis for the diagnosis and treatment of persons (such as x-ray examinations and taking of blood samples); pharmacy advice; garden design services.

Does not Include scientific research for medical purposes (such as research into cures for terminal diseases which is in Class 42), ambulance transportation which is in Class 39, health clubs for physical exercise which are in Class 41 or retirement homes which are in Class 43.

Class 45 Personal and social services rendered by others to meet the needs of individuals; security services for the protection of property and individuals.

Also in this class are dating services; funeral services and undertaking services; fire-fighting services; detective agency services.

Does not Include beauty care services for human beings or animals which are in Class 44 or educational services which are in Class 41.

Prosecuting a copyright offence

Section 107 of the Copyright, Designs and Patents Act 1988 imposes criminal liability in respect of a number of activities, all of which cause commercial damage to the copyright owner.

- s.107 Criminal liability for making or dealing with infringing articles, &c
- (1) A person commits an offence who, without the licence of the copyright owner -
- (a) makes for sale or hire, or
 - (b) imports into the United Kingdom otherwise than for his private and domestic use, or
 - (c) possesses in the course of a business with a view to committing any act infringing the copyright, or
 - (d) in the course of a business -
 - (i) sells or lets for hire, or
 - (ii) offers or exposes for sale or hire, or
 - (iii) exhibits in public, or
 - (iv) distributes, or
 - (e) distributes otherwise than in the course of a business to such an extent as to affect prejudicially the owner of the copyright, an article which is, and which he knows or has reason to believe is, an infringing copy of a copyright work.

Section 107(2) creates an associated offence of making or having possession of any article designed or adapted to make infringing copies.

The offences contrary to section 107(1)(a), (b), (d)(iv) and (e) are either way and carry a maximum of 10 years imprisonment and/or an unlimited fine. The remaining offences are summary only and carry a maximum of 6 months imprisonment and a £5,000 fine.

Elements of offence

Section 107(1) sets out those matters which a prosecutor is required to prove. They are

1. The defendant made or dealt with an article in a manner prohibited by section 107,
2. The article was an infringing copy of a copyright work,
3. At the time the defendant performed the prohibited act, he knew or had reason to believe that the article was an infringing copy of a copyright work, and
4. The defendant did not have the licence of the copyright owner to do what he did.

The first ingredient is the premise on which the case is brought.

Infringing copy of a copyright work

The second ingredient encompasses three matters;

- (a) that copyright subsists in the original,
- (b) the work qualifies for protection under UK law, and
- (c) that the copy is an infringing copy of the original.

Subsistence of copyright

Copyright is a property right which subsists in relation to

- (a) original literary, dramatic, musical and artistic works,
- (b) sound recordings, broadcasts and films, and
- (c) certain other creations.

Copyright is created by the operation of the rule of law as soon as the work in question is recorded. In broad terms, copyright means that the author of work has the exclusive right to copy and to commercially exploit the copies of his creation.

In the UK there is no system for registering copyright. Accordingly, its existence in a work is always proved by oral assertion. For the prosecutor, it is sufficient for a witness to claim that he or his company own copyright because they created the work in question. The witness is then either believed or not.

Qualification

The prosecutor must prove;

- (i) the work qualifies for protection under the Act, and
- (ii) copyright has not lapsed by the passage of time.

It is necessary to establish that the work qualifies for protection under UK law by reference to the place of first publication or by reference to the nationality or country of residence of the author. A list of qualifying countries is set out in the Copyright (Application to Other Countries) Order. These Orders in Council are regularly amended and the OPSI/HMSO website should be checked for the latest version. Virtually all first and second world countries and most third world countries qualify. It follows that there must be some evidence that the work in question was first published in a qualifying country. Failing this, the prosecutor must prove that the author or creator of the work in question is a national of, or is resident in, one of the qualifying countries. These matters are invariably set out and proved by a statement obtained from the copyright owner or someone who is properly authorised to speak on their behalf.

It should also be noted that if the author or creator of a work is employed by a company, and that work was created in the course of the employment, copyright vests in the employing company. In such cases it is sufficient if the company is a qualifying person, in other words, a company registered in a qualifying country.

The original must still be in copyright to attract protection. In general, copyright subsists for the term of the author's life plus 70 years. However, works which do not depend for their creation on the author's artistic skills (eg, those produced by a computer or sound recordings which can involve no more than turning on the recording equipment) often only attract protection for 50 years. This scheme is set out in sections 12 to 15 of the Act.

The copyright owner who is an occasional victim may have to give direct evidence of these matters or evidence may be given by representative or from another who can speak to the various matters. For example in *Musa v Le Maitre* [1987] FSR 272 it was held that it was sufficient for a licensee to speak as to the place and date of first publication.

Many trade organisations such as FACT, the BPI and ELSPA protect a vast array of copyright works for their respective members. Such organisations usually have access to a suitable database and relying on this can simplify the proof of these formal matters. Any such database must list details of the copyright owner, the date and place of creation and/or the date and place of first publication. Many other organisations already possess the relevant information for accounting purposes.

Such databases may be admissible in evidence under section 117 of the Criminal Justice Act 2003 as business documents so long as a number of formalities are complied with. First, the information must be supplied by someone 'who had, or may reasonably be supposed to have had, personal knowledge of the matters dealt with'. Second, the information contained within the database should not have been supplied nor the database created for the purposes of a contemplated or pending investigation or prosecution. Accordingly, if the database was created for some unassociated reason (eg, an accounting purpose) there would be no difficulty.

Criminal Justice Act 2003

- s.117 Business and other documents
- (1) In criminal proceedings a statement contained in a document is admissible as evidence of any matter stated if -
 - (a) oral evidence given in the proceedings would be admissible as evidence of that matter,
 - (b) the requirements of subsection (2) are satisfied, and
 - (c) the requirements of subsection (5) are satisfied, in a case where subsection (4) requires them to be.
 - (2) The requirements of this subsection are satisfied if -
 - (a) the document or the part containing the statement was created or received by a person in the course of a trade, business, profession or other occupation, or as the holder of a paid or unpaid office,
 - (b) the person who supplied the information contained in the statement (the relevant person) had or may reasonably be supposed to have had personal knowledge of the matters dealt with, and
 - (c) each person (if any) through whom the information was supplied from the relevant person to the person mentioned in paragraph (a) received the information in the course of a trade, business, profession or other occupation, or as the holder of a paid or unpaid office.

- ...
- (6) A statement is not admissible under this section if the court makes a direction to that effect under subsection (7).
 - (7) The court may make a direction under this subsection if satisfied that the statement's reliability as evidence for the purpose for which it is tendered is doubtful in view of –
 - (a) its contents,
 - (b) the source of the information contained in it,
 - (c) the way in which or the circumstances in which the information was supplied or received, or
 - (d) the way in which or the circumstances in which the document concerned was created or received.

Infringing copies

An 'infringing copy' is defined by section 27 of the Act. In broad terms it is any copy made without the consent of the copyright owner. Evidence establishing this ingredient may be given by the copyright owner, his licensee, any suitably qualified expert, and in obvious cases it may be inferred from the get up of the goods without the need for any formal evidence.

Knowledge

The maker or dealer in infringing articles only becomes liable in crime if it can be proved that he 'knew or had reason to believe that the article was an infringing copy of a copyright work'. This expression has not been defined by the Court of Appeal, Criminal Division.

In civil actions concerning a secondary infringement of copyright the plaintiff is also required to prove that the defendant 'knew or had reason to believe that the article is an infringing copy of a copyright work'. In *L A Gear Inc v Hi-Tech Sports plc* [1992] FSR 121 the Court of Appeal, Civil Division, held that the words 'had reason to believe' imposed a purely objective test. This case has been followed in the civil courts on numerous occasions.

The preferred view is that an identical test should be applied in crime. Accordingly, a prosecutor must prove:

- (a) the defendant knew that the goods were infringing copies of copyright works, OR
- (b) the defendant knew of certain facts and a reasonable person who knew of those facts would have formed the belief that the goods were infringing copies of copyright works.

Consent

In many cases it is possible to obtain evidence concerning the lack of consent direct from the copyright owner. It is also common to call evidence from expert witness or an investigator from a trade organisation, concerning the lack of consent. Equally, where it is established that goods are counterfeit the lack of appropriate consent can usually be inferred without the need for formal evidence.

Sample information

A B on [insert date] at [insert location] without the licence of the copyright owner made for sale or hire an article namely ... which was an which he knew or had reason to believe was an infringing copy of a copyright work

CONTRARY TO SECTION 107(1)(a) of the COPYRIGHT, DESIGNS AND PATENTS ACT 1988

Copyright, Designs and Patents Act 1988

Subsistence of copyright

- s.1 Copyright and copyright works
- (1) Copyright is a property right which subsists in accordance with this Part in the following descriptions of work -
- (a) original literary, dramatic, musical or artistic works,
- (b) sound recordings, films, broadcasts or cable programmes, and
- (c) the typographical arrangement of published editions.
- (2) In this Part 'copyright work' means a work of any of those descriptions in which copyright subsists.
- (3) Copyright does not subsist in a work unless the requirements of this Part with respect to qualification for copyright protection are met (see section 153 and the provisions referred to there).
- s.2 Rights subsisting in copyright works
- (1) The owner of the copyright in a work of any description has the exclusive right to do the acts specified in Chapter II as the acts restricted by the copyright in a work of that description.
- s.3 literary, dramatic and musical works
- (1) In this Part -
- 'literary work' means any work, other than a dramatic or musical work, which is written, spoken or sung and accordingly includes -
- (a) a table or compilation, and
- (b) a computer program, and
- (c) preparatory design material for a computer program,
- (d) a database;
- 'dramatic work' includes a work of dance or mime; and
- 'musical work' means a work consisting of music, exclusive of any words or action intended to be sung, spoken or performed with the music.
- (2) Copyright does not subsist in a literary, dramatic or musical work unless and until it is recorded, in writing or otherwise; and references in this Part to the time at which such a work is made are to the time at which it is so recorded.
- (3) It is immaterial for the purposes of subsection (2) whether the work is recorded by or with the permission of the author; and where it is not recorded by the author, nothing in that subsection affects the question whether copyright subsists in the record as distinct from the work recorded.
- s.5A Sound recordings
- (1) In this Part -
- 'sound recording' means -
- (a) a recording of sounds, from which the sounds may be reproduced, or
- (b) a recording of the whole or any part of a literary, dramatic or musical work, from which sounds reproducing the work or part may be produced,

- regardless of the medium on which the recording is made or the method by which the sounds are reproduced or produced.
- (2) Copyright does not subsist in a sound recording which is, or to the extent that it is, a copy taken from a previous sound recording.
- s.5B Films
- (1) In this Part 'film' means a recording on any medium from which a moving image may by any means be produced.
- (2) The sound track accompanying a film shall be treated as part of the film for the purposes of this Part.
- (3) ...
- (4) Copyright does not subsist in a film which is, or to the extent that it is, a copy taken from a previous film.
- (5) Nothing in this section affects any copyright subsisting in a film sound track as a sound recording.

Ownership of copyright

- s.9 Authorship of work
- (1) In this Part 'author' in relation to a work, means the person who creates it.
- (2) That person shall be taken to be -
- (aa) in the case of a sound recording, the producer;
- (ab) in the case of a film, the producer and the principal director
- s.178 Minor definitions
- 'producer', in relation to a sound recording or a film, means the person by whom the arrangements necessary for the making of the sound recording or film are undertaken.
- s.11 First ownership of copyright
- (1) The author of a work is the first owner of any copyright in it, subject to the following provisions.
- (2) Where a literary, dramatic, musical or artistic work or a film is made by an employee in the course of his employment, his employer is the first owner of copyright in the work subject to any agreement to the contrary.
- s.90 Assignment and licences
- (1) Copyright is transmissible by assignment, by testamentary disposition or by operation of law, as personal or moveable property.
- (2) ...
- (3) An assignment of copyright is not effective unless it is in writing signed by or on behalf of the assignor.

Qualification

- s.153 Qualification for copyright protection
- (1) Copyright does not subsist in a work unless the qualification requirements of this Chapter are satisfied as regards -
- (a) the author (see section 154), or
- (b) the country in which the work was first published (see section 155), ...
- s.154 Qualification by reference to author
- (1) A work qualifies for copyright protection if the author was at the material time a qualifying person, that it -
- (a) a British citizen ..., or
- (b) an individual domiciled or resident in the United Kingdom or another country to which the relevant provisions of this Part extend, or
- (c) a body incorporated under the law of a part of the United Kingdom or of another country to which the relevant provisions of this Part extend.
- (2) ...
- (3) ...
- (4) The material time in relation to a literary, dramatic, musical or artistic work is -
- (a) in the case of an unpublished work, when the work was made ..., or
- (b) in the case of a published work, when the work was first published ...
- (5) The material time in relation to other descriptions of work is as follows -
- (a) in the case of a sound recording or film, when it was made.
- s.155 Qualification by reference to country of first publication
- (1) A literary, dramatic, musical or artistic work, a sound recording or film ... qualifies for copyright protection if it is first published -
- (a) in the United Kingdom, or
- (b) in another country to which the relevant provisions of this Part extend.
- s.159 Application of this Part to countries to which it does not extend
- (1) Her Majesty may by Order in Council make provisions for applying in relation to a country to which this Part does not extend any of the provisions of this Part specified in the Order...²

Duration of copyright

- s.12 Duration of copyright in literary, dramatic, musical or artistic works
- (1) The following provisions have effect with respect to the duration of copyright in a literary, dramatic, musical or artistic work.
- (2) Copyright expires at the end of the period of 70 years from the end of the calendar year in which the author dies ...

² A list of qualifying countries is set out in the Copyright (Application to Other Countries) Order 1993 No 942 as amended by Copyright (Application to Other Countries) (Amendment) Order 1994 No 263 and the Copyright (Application to Other Countries) (Amendment) Order 1995 No 2987.

- s.13A Duration of copyright in sound recordings
- (1) The following provisions have effect with respect to the duration of copyright in a sound recording.
 - (2) Copyright expires -
 - (a) at the end of the period of 50 years from the end of the calendar year in which it is made, or
 - (b) if during that period it is released, 50 years from the end of the calendar year in which it is released;
subject as follows.
 - (3) For the purposes of subsection (2) a sound recording is 'released' when it is first published, played in public, broadcast or included in a cable programme service, but in determining whether a sound recording has been released no account shall be taken of any unauthorised act.
- s.13B Duration of copyright in films
- (1) The following provisions have effect with respect to the duration of copyright in films.
 - (2) Copyright expires at the end of the period of 70 years from the end of the calendar year in which the death occurs of the last to die of the following persons -
 - (a) the principal director,
 - (b) the author of the screenplay,
 - (c) the author of the dialogue, or
 - (d) the composer of music specially created for and used in the film;

Rights of copyright owner

- s.16 The acts restricted by copyright in a work
- (1) The owner of the copyright in a work has, in accordance with the following provisions of this Chapter, the exclusive right to do the following acts in the United Kingdom -
 - (a) to copy the work,
 - (b) to issue copies of the work to the public,
 - (c) to perform, show or play the work in public,
 - (d) to broadcast the work or include it in a cable programme service,
 - (e) to make an adaptation of the work or do any of the above in relation to an adaptation,
and those acts are referred to in this Part as the 'acts restricted by copyright'.
 - (2) Copyright in a work is infringed by a person who without the licence of the copyright owner does, or authorises another to do, any of the acts restricted by the copyright.
- s.17 Infringement of copyright by copying
- (1) The copying of the work is an act restricted by the copyright in every description of copyright work; and references in this Part to copying and copies shall be construed as follows.

- (2) Copying in relation to a literary, dramatic, musical or artistic work means reproducing the work in any material form.
- s.18 Infringement by issue of copies to the public
- (1) The issue to the public of copies of the work is an act restricted by the copyright in every description of copyright work.
- (2) References in this Part to the issue to the public of copies of a work are to -
- (a) the act of putting into circulation in the EEA copies not previously put into circulation in the EEA by or with the consent of the copyright owner, or
- (b) the act of putting into circulation outside the EEA copies not previously put into circulation in the EEA or elsewhere.
- (3) References in this Part to the issue to the public of copies of a work do not include -
- (a) any subsequent distribution, sale, hiring or loan of copies previously put into circulation ..., or
- (b) any subsequent importation of such copies into the United Kingdom or another EEA state, except so far as paragraph (a) of subsection (2) applies to putting into circulation in the EEA copies previously put into circulation outside the EEA.
- s.19 Infringement by performance, showing or playing of work in public
- (1) The performance of the work in public is an act restricted by the copyright in a literary, dramatic or musical work.

Secondary infringement of copyright

- s.22 Secondary infringement: importing infringing copy
The copyright in a work is infringed by a person who, without the licence of the copyright owner, imports into the United Kingdom, otherwise than for his private and domestic use, an article which is, and which he knows or has reason to believe is, an infringing copy of a copyright work.
- s.23 Secondary infringement: possessing or dealing with infringing copy
The copyright in a work is infringed by a person who, without the licence of the copyright owner -
- (a) possesses in the course of a business,
- (b) sell or lets for hire, or offers or exposes for sale or hire,
- (c) in the course of a business exhibits in public or distributes, or
- (d) distributes otherwise than in the course of a business to such an extent as to affect prejudicially the owner of the copyright, an article which is, and which he knows or has reason to believe is, an infringing copy of a copyright work.
- s.27 Meaning of infringing copy
- (1) In this Part 'infringing copy', in relation to a copyright work, shall be construed in accordance with this section.
- (2) An article is an infringing copy if its making constituted an infringement of the

- copyright in the work in question.
- (3) An article is also an infringing copy if -
 - (a) it has been or is proposed to be imported into the United Kingdom, and
 - (b) its making in the United Kingdom would have constituted an infringement of the copyright in the work in question, or a breach of an exclusive licence agreement relating to that work.
 - (4) Where in any proceedings the question arises whether an article is an infringing copy and it is shown -
 - (a) that the article is a copy of the work, and
 - (b) that copyright subsists in the work or has subsisted at any time, it shall be presumed until the contrary is proved that the article was made at a time when copyright subsisted in the work.

Offences

- s.107 Criminal liability for making or dealing with infringing articles, &c
- (1) A person commits an offence who, without the licence of the copyright owner -
 - (a) makes for sale or hire, or
 - (b) imports into the United Kingdom otherwise than for his private and domestic use, or
 - (c) possesses in the course of a business with a view to committing any act infringing the copyright, or
 - (d) in the course of a business -
 - (i) sells or lets for hire, or
 - (ii) offers or exposes for sale or hire, or
 - (iii) exhibits in public, or
 - (iv) distributes, or
 - (e) distributes otherwise than in the course of a business to such an extent as to affect prejudicially the owner of the copyright, an article which is, and which he knows or has reason to believe is, an infringing copy of a copyright work
 - (2) A person commits an offence who-
 - (a) makes an article specifically designed or adapted for making copies of a particular copyright work, or
 - (b) has such an article in his possession knowing or having reason to believe that it is to be used to make infringing copies for sale or hire or for use in the course of a business.
 - (3) ...
 - (4) A person guilty of an offence under subsection (1)(a), (b), (d)(iv) or (e) is liable -
 - (a) on summary conviction to imprisonment for a term not exceeding six months or a fine not exceeding the statutory maximum, or both,
 - (b) on conviction on indictment to a fine or imprisonment for a term not exceeding ten years, or both.
 - (5) A person guilty of any other offence under this section is liable on summary conviction to imprisonment for a term not exceeding six months or a fine not

exceeding level 5 on the standard scale, or both.

- s.108 Order for delivery up in criminal proceedings
- (1) The court before which proceedings are brought against a person for an offence under section 107 may, if satisfied that at the time of his arrest or charge—
 - (a) he had in his possession, custody or control in the course of a business an infringing copy of a copyright work, or
 - (b) he had in his possession, custody or control an article specifically designed or adapted for making copies of a particular copyright work, knowing or having reason to believe that it had been or was to be used to make infringing copies, order that the infringing copy or article be delivered up to the copyright owner or to such other person as the court may direct.
 - (2) For this purpose a person shall be treated as charged with an offence—
 - (a) in England, Wales and Northern Ireland, when he is orally charged or is served with a summons or indictment;
 - (b) in Scotland, when he is cautioned, charged or served with a complaint or indictment.
 - (3) An order may be made by the court of its own motion or on the application of the prosecutor (or, in Scotland, the Lord Advocate or procurator-fiscal), and may be made whether or not the person is convicted of the offence, but shall not be made—
 - (a) after the end of the period specified in section 113 (period after which remedy of delivery up not available), or
 - (b) if it appears to the court unlikely that any order will be made under section 114 (order as to disposal of infringing copy or other article).
 - (4) An appeal lies from an order made under this section by a magistrates' court—
 - (a) in England and Wales, to the Crown Court, and
 - (b) in Northern Ireland, to the county court;
 - (5) A person to whom an infringing copy or other article is delivered up in pursuance of an order under this section shall retain it pending the making of an order, or the decision not to make an order, under section 114.
 - (6) Nothing in this section affects the powers of the court under section 43 of the Powers of Criminal Courts Act 1973, section 223 or 436 of the Criminal Procedure (Scotland) Act 1975 or Article 7 of the [S.I. 1980/704(N.I. 6).] Criminal Justice (Northern Ireland) Order 1980 (general provisions as to forfeiture in criminal proceedings).
- s.109 Search Warrants
- (1) Where a justice of the peace (in Scotland, a sheriff or justice of the peace) is satisfied by information on oath given by a constable (in Scotland, by evidence on oath) that there are reasonable grounds for believing—
 - (a) that an offence under section 107(1) or (2) has been or is about to be committed in any premises, and
 - (b) that evidence that such an offence has been or is about to be committed is in those premises,

- he may issue a warrant authorising a constable to enter and search the premises, using such reasonable force as is necessary.
- (2) The power conferred by subsection (1) does not, in England and Wales, extend to authorising a search for material of the kinds mentioned in section 9(2) of the [1984 c. 60.] Police and Criminal Evidence Act 1984 (certain classes of personal or confidential material).
- (3) A warrant under this section—
- (a) may authorise persons to accompany any constable executing the warrant, and
- (b) remains in force for 28 days from the date of its issue.
- (4) In executing a warrant issued under this section a constable may seize an article if he reasonably believes that it is evidence that any offence under section 107(1) or (2) has been or is about to be committed.
- (5) In this section 'premises' includes land, buildings, fixed or moveable structures, vehicles, vessels, aircraft and hovercraft.
- s.110 Offences by body corporate; Liability of officers
- (1) Where an offence under section 107 committed by a body corporate is proved to have been committed with the consent or connivance of a director, manager, secretary or other similar officer of the body, or a person purporting to act in any such capacity, he as well as the body corporate is guilty of the offence and liable to be proceeded against and punished accordingly.
- s.114 Order as to disposal of infringing copy or other article
- (1) An application may be made to the court for an order that an infringing copy or other article delivered up in pursuance of an order under section 99 or 108, or seized and detained in pursuance of the right conferred by section 100, shall be—
- (a) forfeited to the copyright owner, or
- (b) destroyed or otherwise dealt with as the court may think fit, or for a decision that no such order should be made.
- (2) In considering what order (if any) should be made, the court shall consider whether other remedies available in an action for infringement of copyright would be adequate to compensate the copyright owner and to protect his interests.
- (3) Provision shall be made by rules of court as to the service of notice on persons having an interest in the copy or other articles, and any such person is entitled—
- (a) to appear in proceedings for an order under this section, whether or not he was served with notice, and
- (b) to appeal against any order made, whether or not he appeared;
- (c) and an order shall not take effect until the end of the period within which notice of an appeal may be given or, if before the end of that period notice of appeal is duly given, until the final determination or abandonment of the proceedings on the appeal.
- (4) Where there is more than one person interested in a copy or other article, the court shall make such order as it thinks just and may (in particular) direct that

- the article be sold, or otherwise dealt with, and the proceeds divided.
- (5) If the court decides that no order should be made under this section, the person in whose possession, custody or control the copy or other article was before being delivered up or seized is entitled to its return.
- (6) References in this section to a person having an interest in a copy or other article include any person in whose favour an order could be made in respect of it under this section or under section 204 or 231 of this Act or section 58C of the [1938 c. 22.] Trade marks Act 1938 (which make similar provision in relation to infringement of rights in performances, design right and trade marks).
- s.114A Forfeiture of infringing copies, etc.: England and Wales or Northern Ireland³
- (1) In England and Wales or Northern Ireland where there have come into the possession of any person in connection with the investigation or prosecution of a relevant offence –
- (a) infringing copies of a copyright work, or
- (b) articles specifically designed or adapted for making copies of a particular copyright work,
- that person may apply under this section for an order for the forfeiture of the infringing copies or articles.
- (2) For the purposes of this section ‘relevant offence’ means –
- (a) an offence under section 107(1) or (2) (criminal liability for making or dealing with infringing articles, etc.)’
- (b) an offence under the Trade Descriptions Act 1968 (c.29), or
- (c) an offence involving dishonesty or deception.
- (3) An Application under this section may be made –
- (a) where proceedings have been brought in any court for a relevant offence relating to some or all of the infringing copies or articles, to that court, or
- (b) where no application for the forfeiture of the infringing copies or articles has been made under paragraph (a) above, by way of complaint to a magistrates’ court.
- (4) On an application under this section, the court shall make an order for the forfeiture of any infringing copies or articles only if it is satisfied that a relevant offence has been committed in relation to the infringing copies or articles.
- (5) A court may infer for the purposes of this section that such an offence has been committed in relation to any infringing copies or articles if it is satisfied that such an offence has been committed in relation to infringing copies or articles which are representative of the infringing copies or articles in question (whether by reason of being of the same design or part of the same consignment or batch or otherwise).
- (6) Any person aggrieved by an order made under this section by a magistrates’ court or by a decision of such a court not to make such an order, may appeal against that order or decision –
- (a) in England and Wales, to the Crown Court, or

³ This section added by Copyright, etc. and Trade marks (Offences and Enforcement) Act 2002 which came into force on 20 November 2002.

- (b) In Northern Ireland, to the county court.
 - (7) An order under this section may contain such provisions as appears to the court to be appropriate for delaying the coming into force of the order pending the making and determination of any appeal (including any application under section 111 of the Magistrates' Courts Act 1980 (c.43) or Article 146 of the Magistrates' Courts (Northern Ireland) Order 1981 (S.I. 1981/1675 (N.I. 26))(statement of case)).
 - (8) Subject to subsection (9), where any infringing copies or articles are forfeited under this section they shall be destroyed in accordance with such directions as the court may give.
 - (9) On making an order under this section the court may direct that the infringing copies or articles to which the order relates shall (instead of being destroyed) be forfeited to the owner of the copyright in question or dealt with in such other way as the court considers appropriate.
- s.115 Jurisdiction of county court and sheriff court
- (1) In England, Wales and Northern Ireland a county court may entertain proceedings under—
 - section 99 (order for delivery up of infringing copy or other article),
 - section 102(5) (order as to exercise of rights by copyright owner where exclusive licensee has concurrent rights), or
 - section 114 (order as to disposal of infringing copy or other article),where the value of the infringing copies and other articles in question does not exceed the county court limit for actions in tort.
 - (2) ...
 - (3) Nothing in this section shall be construed as affecting the jurisdiction of the High Court or, in Scotland, the Court of Session.

Prosecuting a conspiracy to defraud

The Common Law offence of 'conspiracy to defraud' was defined by the House of Lords in *Scott v Metropolitan Police Commissioner* [1975] A.C. 819. This judgment provided that it is an offence for two or more persons to agree to embark upon a course of conduct which they know or believe will defraud another or others. A person is defrauded when he is by dishonesty deprived of something which is his or of something to which he is or would or might be entitled or such interests are by dishonesty put at risk.

The ingredients of the offence may be summarised as follows:

- (1) the accused agreed with at least one other to embark upon a course of conduct,
- (2) at the time the agreement was formed the accused intended to act in accordance with the agreement.
- (3) The course of conduct which the conspirators agreed and intended to embark upon deprived the pleaded victims of something which was theirs or of something to which they would or might be entitled to but for the fraud or such interests were put at risk, and
- (4) the accused knew or believed that he had no right to deprive the pleaded victims or put their interests at risk.

Agreement

The course of conduct that is complained about will normally involve the manufacture, importation, distribution or sale of counterfeit goods. There is no substantive offence of 'defraud'. Accordingly, the offence is only made out when two or more persons agree to embark upon the course of conduct. Both persons need not be tried together and the identity of the second person need not even be known so long as his existence may be inferred.

Direct evidence of the 'agreement' will rarely be available. In the majority of cases the fact of an agreement and the terms of the agreement must be inferred from surrounding circumstances.

Intention

The offence is made out only if the accused intended to act in accordance with the agreement. This matter is usually inferred by examining what the accused went on to do.

Defraud

It is clear that the trade in counterfeit goods deprives all of those persons who have an interest in the genuine goods of their property or the potential for them to acquire property. These 'victims' include not only the owners of the intellectual property rights in the goods in questions but extends to the distributors, retailers and even the public at large.

The prosecution will often be in a position to prove that the victims of the conspiracy were defrauded but it should be observed that is not necessary as a matter of law. The risk of possible injury to the victims' rights is sufficient, as in *Scott* (supra)⁴

Dishonesty

In the vast majority of cases the only issue is whether the accused was dishonest and this is usually proven by establishing that he knew or believed that the goods in question were counterfeit.

The maximum sentence for the offence is fixed by section 12(3) of the Criminal Justice Act 1987 at imprisonment for a term not exceeding 10 years or an unlimited fine or both.

Sample Information

A B on divers days between the [insert start and finish date] within the [insert county] and elsewhere conspired with [insert names of co-conspirators] and persons unknown to defraud such persons who have an interest in films/music/etc by manufacturing/importing or selling illicit copies of films/music recordings/etc

CONTRARY TO THE COMMON LAW

David Groome & Ari Alibhai
QEB Hollis Whiteman

⁴ See also *R v Cooke* (1986) 83 Cr.App.R. 339 H.L. and *Wai Yu-tsang v R* (1992) 94 Cr.App.R. 264 P.C.