

CRIMINAL LIABILITY FOR INFRINGEMENTS OF WELL-KNOWN TRADEMARKS RIGHTS: THE DEMAND AND POSSIBILITIES

Sofia Khatsernova

*Kęstutis Stungys legal office, Lithuania
sofia.khatsernova@gmail.com*

Abstract

Purpose – to examine the demand for the infringements of Well-Known Trademarks rights criminalization and to examine the possibilities to protect the Well-Known Trademark rights by criminal measures without infringement of criminal law principle *nullum crimen sine lege* (“no crime without law”) and other defendant rights.

On the one hand, the TRIPS¹ agreement foresees the need to apply criminal liability for counterfeit trademarks related only to the registered trademarks. On the other hand, not registered, but the Well-Known Trademarks (product) counterfeit causes a threat and violates criminal codes stored values in states usually more than registered trademarks, because they are usually more prevalent, recognized and appreciated, and they are more trusted.

It is particularly important to protect the market from the counterfeit specialized food market products for people with allergies (products without lactose, gluten, etc.), with specific diseases (diabetes, etc.). Also, there is a lot of risk in children goods as counterfeited children goods; toys often contain unauthorized or even toxic substances. When we are talking about the registered trademarks, regardless of their prevalence and merchantability in society, these trademarks are protected by the criminal law. Trademark registration is objectively determined circumstance. However, when it comes to a non-registered trademark, there are legal barriers related to the rights of a defendant in a criminal procedure by the criminal law measures. As a Well-Known Trademark is recognized exclusively by a court decision, it results in an inability to check whether a particular use of a Trademark is criminal until the national court’s (administrative unit) decision.

Methodology – The article is written applying the teleological, systemic, linguistic, logical, historical and comparative methods.

Finding – As it is known, there are regional (EU), international (Madrid system) and national registrations of trademarks. Depending on the regulation states, the trademark owner's activity and other factors situations appear which lead to where Well-Known Trademarks are not registered in particular countries. It provides the access to the use of the public Well-Known Trademarks, to get income out of them, to deceive consumers and could even endanger them. In states, of course, where the counterfeited goods are realized illegal income increases. This illegal income is successfully hidden from the public authorities and is actualized in the illegal market. This income is used for financing: Racketeering, Human Smuggling, Money Laundering/ Illegal Money Transfer Service, Illegal Gambling, Loan-Sharking, Narcotics Trafficking, Prostitution, Weapon Trafficking, Contract Killing, Document Forgery Services.² Harmonized and efficient intellectual property protection system is necessary in order to change these visible negative trends.

¹ Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, UNTS. 299, 33 ILM 1197 (1994)

² Matthies, C., et al. Film Piracy, Organized Crime, and Terrorism. RAND Corporation, 2009, p. 13 (xiii)

Research implications – By doing this study, the criminal measures to protect the Well-Known Trademark will be found without any prejudice to the rights of a defendant in a criminal procedure or it will be concluded that it is currently impossible.

Practical implications – The results of the research could be used to the fight against counterfeits, especially Well-Known Trademark, and for the further researches in this legal area.

Originality – Despite of the spread of counterfeits and their huge damage in various areas, this research topic is not very common. In Lithuania, Trademark Protection criminal liability issues were examined by both dr. Nevera A. and dr. Klimkevičiūtė D. in the article „Criminal aspects of infringement of trademark rights”; as well as the author of the Master thesis „The Problems of Interpretation and Application of the Offence for the Use of Another’s Trademark or Service Mark (Article 204 of the Criminal Code)”. It was written about some relevant aspects of the topic analyzed in the copyright context: Geiger, Ch. „Criminal Enforcement of Intellectual Property: A Handbook of Contemporary Research, Adam, A. What is "commercial scale"? A critical analysis of the WTO panel decision in WT/DS362/R.; Sugden P., How long is a piece of string? The meaning of “commercial scale” in copyright piracy; Nevera, A. „Problems of the Criminal Liability for the Infringements of Intellectual Property Rights: National and International Aspects“; Kiškis, M., Šulija, G. „Criminal Liability for the Infringements of Intellectual Property Rights in European States“.

Keywords: Well-Known Trademarks, counterfeiting, criminal enforcement, intellectual property.

Research type: general review.

Introduction

Counterfeits are a very painful problem both in Lithuania and the world. Unauthorized use of trademarks (labelling or realization) not only violates the intellectual property rights of their owners but also the rights of consumers as well as harms the economy and business order. High prevalence of counterfeit medicines gives a cause for concern in relation to counterfeits causing harm to health and life.¹ *“Counterfeiting [...], and infringements of intellectual property in general, are a constantly growing phenomenon which nowadays have an international dimension since they are a serious threat to national economies and governments. The disparities between the national systems of penalties, apart from hampering the proper functioning of the internal market, make it difficult to combat counterfeiting [...] effectively. In addition to the economic and social consequences, counterfeiting and piracy also pose problems for consumer protection, particularly when health and safety are at stake. [...] this phenomenon appears to be increasingly linked to organized crime. [...] Counterfeiting [...] have become lucrative activities in the same way as other large-scale criminal activities such as drug trafficking. There are high potential profits to be made without risk of serious legal penalties.”*², moreover, it is another niche for the legalization of illegally obtained assets.

The Well-Known Trademarks counterfeit is a specific object for providing the ability to protect unregistered trademark too, if it meets specific criteria.

¹ Khatsernova S. (2015) The Problems of Interpretation and Application of the Offence for the Use of Another’s Trademark or Service Mark (Article 204 of the Criminal Code), master thesis, Mykolas Romeris University

² The European Commission proposal of 12 July 2005 for a European Parliament and Council directive on criminal measures aimed at ensuring the enforcement of intellectual property rights and proposal for a Council framework decision to strengthen the criminal law framework to combat intellectual property offences (KOM(2005) 276) p.1.

Protection for the Trademark is given by the court decision when it is recognized as a Well-Known Trademark.

In the context of criminal law, it is important that, when it comes to a non-registered trademark, there are legal barriers related to the rights of a defendant in a criminal procedure by the criminal law measures.

As a well-known brand is recognized exclusively by a court decision, it results in an inability to check whether a particular use of a trademark is criminal until the court's decision.

On the other hand, to understand unlawfulness of counterfeiting of a Well-Known Trademark, it is not necessary to know about the registration of this trademark. It is important that the Trademark has been chosen for counterfeiting precisely because of its recognition and reputation in society.

Individual rights are by far the most fundamental rights in criminal procedure consolidated in the international and regional human rights documents.

For introducing the topic, the criminal law principle *nullum crimen sine lege* (“no crime without law”) is very important. The international agreements such as the article 7 No punishment without law in Convention on Human Rights which says that nobody should be held guilty of any criminal offense on account of any act or omission which did not constitute a criminal offense under the national or international law at the time when it was committed oblige to apply the aforementioned principle in the national criminal law. Similar requirements are indicated in the article 15 of International Covenant on Civil and Political Rights of United Nations Organization and other international agreements too.

In Article author reviews definitions of both Well-Known Trademark and criminal law principle “*nullum crimen sine lege*” (“no crime without law”). Also, author analyses the the demand for the infringements of Well-Known Trademarks rights criminalization and opportunities of it. In the Article attempts are put to present the criteria which should reveal the Well-Known Trademark counterfeiter dangerousness allowing application for criminal responsibility, but at the same time not violating the *nullum crimen sine lege* (“no crime without law”).

Definition of a Well-Known Trademark and demand of its criminalization

The origins of legal protection of Well-Known Trademark is Article 6 bis of the Paris Convention for the Protection of Industrial Property (hereinafter - Paris Convention). The rule of international law declares that:

(1) The countries of the Union undertake, ex officio if their legislation so permits, or at the request of an interested party, to refuse or to cancel the registration, and to prohibit the use, of a trademark which constitutes a reproduction, an imitation, or a translation, liable to create confusion, of a mark considered by the competent authority of the country of registration or use to be well known in that country as being already the mark of a person entitled to the benefits of this Convention and used for identical or similar goods. These provisions shall also apply when the essential part of the mark constitutes a reproduction of any such well-known mark or an imitation liable to create confusion therewith.

(2) A period of at least five years from the date of registration shall be allowed for requesting the cancellation of such a mark. The countries of the Union may provide for a period within which the prohibition of use must be requested.

(3) No time limit shall be fixed for requesting the cancellation or the prohibition of the use of marks registered or used in bad faith. At the same time, it should be noted that the Paris Convention does not provide any definition and a Well-Known Trademark concept, thus, the Convention Member States have to create it with the help of courts practice on their own.¹

According to the Article 6 bis of the Paris Convention, Well-Known Trademark protection is not wider than registered Trademarks. If the Trademark seeking the protection as a Well-Known, in particular, the Member State (in which protection is sought) is already registered, usually there is no need to apply the Article 6 bis of the Paris Convention provisions, because as it was mentioned before, it does not give more rights than the registration of a Trademark would give.²

Consequently, the Paris Convention Article 6 bis is important in such cases when a particular Trademark seeking the protection as Well-Known, is one of the Member States of the Paris Convention and has not already acquired the protection of the national legal procedures (e.g. registration). Such protection crossing the territorial principle of the trademark protection provided condition - wide brand awareness.

Well-known Trademark protection and the boundaries of this protection legal regulation in international law was continued to develop in Agreement on Trade-Related Aspects of Intellectual Property Rights (hereinafter - the TRIPS Agreement), in particular - paragraphs 2 and 3 of the Article 16 of the TRIPS Agreement. Paragraph 2 of the Article 16 of TRIPS agreement, provides that the Article 6 bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to services. In determining whether a Trademark is Well-Known, Members shall take into account knowledge of the trademark in the relevant sector of the public, including knowledge in the Member concerned which has been obtained as a result of the promotion of the trademark. In the third part it is noted that Article 6 bis of the Paris Convention (1967) shall apply, *mutatis mutandis*, to goods or services which are not similar to those in respect of which a trademark is registered, provided that use of that trademark in relation to those goods or services would indicate a connection between those goods or services and the owner of the registered trademark and provided that the interests of the owner of the registered trademark are likely to be damaged by such use.

Paragraphs 2 and 3 of the Article 16 of TRIPS Agreement show that the requirements for the Member States to provide protection for Trademarks as Well-Known, in particular, are associated with aforementioned Article 6 bis of the Paris Convention. So, the Article 6 bis of Paris Convention is the legal framework of the Well-Known Trademark protection in accordance to the TRIPS agreement too. At the same time, it should be noted that the TRIPS Agreement, during the development of Well-Known Trademark legal protection standards mentioned in the Article 6 bis of Paris Convention laid down, determines a number of substantial new elements compared to the Paris Convention.³

When deciding on the brand recognition of being a Well-Known, strength of a feedback in a market formed should be evaluated: a manufacturer or a service

¹ Hart T., Fazzani L. Intellectual Property Law. London: Macmillan Press LTD, 1997, p. 121

Klimkevičiūtė D. (2011) Problems of the Legal Protection of Well-Known Trademarks and Trademarks with a Reputation, doctoral dissertation, Mykolas Romeris University

² Pires de Carvalho N. The TRIPS Regime of Trademarks and Designs. The Hague: Kluwen Law International, 2006, p. 281

³ Klimkevičiūtė D. (2005) Concept of a Well-Known Trade Mark and Criteria for Determination of whether a Trade Mark is a Well-Known (Some Theoretical and Practical Aspects)

provider - the trademarked goods and (or) services – society (it means: a user of goods and (or) the service). Well-Known Trademark protection guarantee is its awareness.

When a particular segment of a society is aware of a Trademark which marks the particular goods and (or) services as belonging to the respective product manufacturer or service provider, i.e. the Trademark and marked goods, and (or) services, clearly identify as goods originated from a particular source (even without knowing the company supplying goods bearing a particular brand to the market name), failure to provide protection for such Trademark would mean an impression formed about that trademark in a society (in particular layers of it) and the product it covers disregard. This would distort the reality of feedback clearly formed in the market: a manufacturer or service provider - the Trademarked goods and (or) services - society (i.e. user of goods and (or) the services).¹

Also, when deciding on the Trademark wide recognition the 1999 Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks of the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organization (WIPO) interpretations must be taken into account. In the aforementioned the Article 2, paragraph 1 (a) is established the principle provision that in determining whether a mark is a Well-Known Trademark, the competent authority shall take into account any circumstances from which it may be inferred that the mark is well known.

Paragraph 1 (b) of article 2 of Recommendation, the criteria likely to be significant are pointed (but not limited not to pay attention to other factors) in deciding on the mark recognition: 1. the degree of knowledge or recognition of the Trademark in the relevant sector of the public; 2. the duration, extent and geographical area of any use of the Trademark; 3. the duration, extent and geographical area of any promotion of the Trademark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the Trademark applies; 4. the duration and geographical area of any registrations, and/or any applications for registration, of the Trademark, to the extent that they reflect use or recognition of the Trademark; 5. the record of successful enforcement of rights in the Trademark, in particular, the extent to which the mark was recognized as Well-Known by competent authorities; 6. the value associated with the Trademark.

On the other hand, as indicated in paragraph 1 (C) of the Article 2 of Recommendation, these criteria are not conditions for a Trademark to be recognized as a well-known and widely recognised. Recognition in each case may depend on the specific circumstances of the case. In the recommendation it is also noted that in some cases, all of these possible criteria may be relevant to other cases - only some of these criteria, and in other cases - none of the criteria noted in the Recommendation will be significant, and the decision of the mark wide recognition will be based on additional criteria not specified in this Recommendation. In turns, these - additional - criteria can be important both themselves individually and in combination with one or more of the criteria presented in the Recommendation.

In terms of criminal liability, it should be noted that this recommendations criteria may be important as a criminal offense subject describing symptoms and additional criteria for describing a person who uses an unregistered but clearly Well-

¹ Klimkevičiūtė D. (2005) Concept of a Well-Known Trade Mark and Criteria for Determination of whether a Trade Mark is a Well-Known (Some Theoretical and Practical Aspects)

Known Trademark must exist reflecting the personal danger (possible additional criteria analyzed in the next section of Article).

Article 61 of the TRIPS Agreement is perhaps the most fundamental rules of binding to criminalize intellectual property rights, including trademarks and providing for criminal liability of the minimum standards. This legal norm states that Members shall provide for criminal procedures and penalties to be applied at least in cases of wilful trademark counterfeiting or copyright piracy on a commercial scale. Remedies available shall include imprisonment and/or monetary fines sufficient to provide a deterrent, consistently with the level of penalties applied for crimes of a corresponding gravity. In appropriate cases, remedies available shall also include the seizure, forfeiture and destruction of the infringing goods and of any materials and implements the predominant use of which has been in the commission of the offense. Members may provide for criminal procedures and penalties to be applied in other cases of infringement of intellectual property rights, in particular where they are committed wilfully and on a commercial scale. Thus we see that at least the TRIPS Agreement obliges to criminalize intentional conduct infringing the registered trademark rights.

However, not registered, but the Well-Known Trademarks (product) counterfeit causes a threat and violates criminal codes stored values in states more than registered trademarks, because they are usually more prevalent, recognized and appreciated, and they are more trusted.

Also, when a Well-Known Trademark is selected for counterfeiting, a bigger personal danger is seen, because a person chooses the most recognizable brand. In this way, it allows the market to release recognizable counterfeits of Well-Known Trademarks, for which the price of realization is higher than bearing a particular brand.

In terms of damage made by offenses against intellectual property, it should be noted that it is not only the intellectual property rights owners problem, it also concerns both organized crime and the financing of terrorism, which cause a serious harm to the society.

This illegal income is successfully hidden from the public authorities and is actualized in the illegal market. This income is used for financing: Racketeering, Human Smuggling, Money Laundering/ Illegal Money Transfer Service, Illegal Gambling, Loan-Sharking, Narcotics Trafficking, Prostitution, Weapon Trafficking, Contract Killing, Document Forgery Services.¹

Also, as registered, unregistered trademarks' counterfeits mislead the consumer and, depending on the type of product can make or cause damage to the health or even life. Most dangerous counterfeit groups can be considered as medicine, toys, fertilizers, certified food and other food products. However, in the author's opinion, the most dangerous is medicine, because even not counterfeited medicine misuse can be extremely dangerous to health, specially when the use of the medicine composition de facto is unknown, sometimes poisonous.

World Health Organization, considering a large number of cases, when people die from some of the counterfeit medicine or irreparable damage is caused to health, declared that the counterfeiting of medicine is not only a threat to the intellectual property, but also to the person's life and health. According to the organization,

¹ Matthies, C., et al. Film Piracy, Organized Crime, and Terrorism. RAND Corporation, 2009, p. 13 (xiii)

health, and protection of the intellectual property are non-conflicting areas.¹ Therefore, the criminal rate of criminalization of counterfeiting market has to be operated effectively against medicine counterfeiters.² The Counterfeited specialized food products (organic, for diabetes, etc.), fertilizers (for the cultivation of green or other certifiable products) cause danger for certain groups of people who are allergic, intolerant of certain products or who due to a certain type of disease should not use specific products. So products certifying sector should especially protect products from counterfeiting as potential buyers of such products are also potential victims.

Toys counterfeiting dangers lie in the low-cost materials and unsafe children sensitivity to them. Paint based on lead, has been banned in Europe since 1978.³ The Counterfeiters, in order to save costs, choose insecure, prohibited materials, and it can have a negative impact on children's health.

The above-mentioned sequence, the well-known trademark protection by criminal means is necessary due to a large brand recognition leading to a competitive advantage and greater marketability. The quality of counterfeited goods is not assured, which leads to unsafe products entering the market. Society must be protected from counterfeiting, regardless of the particular trademark registration of a particular country.

The principle *nullum crimen sine lege* content and Well-Known Trademark criminalization opportunities

Applying criminal liability for the use of not registered trademark, the question arises whether the person using such a label has to realize that to use it is a criminal, but it depends precisely on the registration of presence or absence of a particular country. As explained below, the criminal law components of concreteness and clarity is a part of the *nullum crimen sine lege* (“no crime without law”) volume.

This part of the article in terms of Well-Known Trademarks talks about unregistered trademarks that are not yet recognized as Well-Known by a court. Well-known Trademarks recognized by the court, as mentioned before are protected and unregistered. The initial breach of the situation is that the infringement was carried out in the State where that mark is not registered, but from the outside it is quite

¹ Geiger, Ch., et al. Criminal Enforcement of Intellectual Property: A Handbook of Contemporary Research (Research Handbooks in Intellectual Property). United Kingdom: MPG Books group, 2012, p. 353

² p. 353 - 354: [...] the annual turnover of counterfeit drugs was estimated at US\$ 39 billion [...] These examples show a huge spectrum of events and their effects [...]: 1990: Over 100 children in Nigeria died from a cough syrup that was diluted with toxic solvent; 1995: 89 people in Haiti died after the intake of Paracetamol syrup (an analgesic) containing diethylene glycol; 1996: more than 59 children died after the intake of counterfeit fever syrup; 1999/2000: Approximately 60 people in Cambodia died after the intake of counterfeit anti-malarial drugs. According to a study published in the leading medical journal The Lancet in 2001, up to, 40% of anti-malarial drugs sold in Third World countries do not contain enough or do not contain any active ingredient. The drugs are practically worthless, leading to thousands of deaths annually; 2002: In Switzerland, approximately 22,000 fake Viagra tablets were confiscated; 2002: AIDS medication designated for Africa was illegally reimported to Germany and the Netherlands on a large scale via France and Belgium. It had previously been delivered to developing countries at preferential prices; [...] 2006: At least 20 persons died in China after the intake of counterfeit antibiotics; During the second half of 2009, the multinational police operation 'Storm II' in several Southeast Asian countries led to the arrest of 30 suspects and the seizure of 20 million units of counterfeit or illegal drugs; 2010/12: In Germany, investigations into the dealings of several pharmaceutical wholesalers are currently underway. They had ostensibly on a large scale imported and sold to pharmacies active ingredients which had no regulatory approval for use in cancer drugs.

³ Krugman and Jones <http://ec.elobot.co.uk/apsinuodijimas-svino>

understandable that the trademark is identical or confusingly similar to a trademark, which is registered in a foreign country (countries) i.e. from facts there is a reason to believe that the person is aware of using a particular brand because of its fame and evaluation in order to profit without investment to Trademark, resulting in a competitive advantage.

In the most general sense of the scientific doctrine of *nullum crimen sine lege* (“no crime without law”), the principle is defined as „*The principle of legality is a core value, a human right but also a fundamental defence in criminal law prosecution according to which no crime or punishment can exist without a legal ground. Nullum crimen, nulla poena sine lege is, in fact, a guarantee of human liberty; it protects individuals from state abuse and unjust interference, it ensures the fairness and transparency of the judicial authority. [...]*”¹

This principle plays an important role in the international and regional human rights instruments. In terms, the Article 11 of the Universal Declaration of Human Rights (UDHR) (1948) gives a very well structured definition of the principle: “*No one shall be held guilty of any penal offence on account of any act or omission which did not constitute a penal offence, under national or international law, at the time when it was committed. Nor shall a heavier penalty be imposed than the one that was applicable at the time the penal offense was committed*”. The same concept with nearly identical wording is found in several international and regional human rights treaties, including the International Covenant on Civil and Political Rights (ICCPR) (1966), the European Convention for the Protection of Human Rights and Fundamental Freedoms (ECHR) (1950) and the American Convention on Human Rights (ACHR) (1969).

Developing *nullum crimen sine lege* (“no crime without law”) in scientific doctrine, in this regard, additional requirements for the clarity, concreteness are raised.

Nullum crimen sine lege (“no crime without law”) principle content is wider than the definition. In legal doctrine, the principle of *nullum crimen sine lege* (“no crime without law”) has been found to consist of four separate requirements: *praevia* (“previous law”), *scripta* (“written law”), *certa* (“definite law”) and *stricta* (“strict law”). Although the principle of origin was identified only *praevia* (“previous law”), it means the Criminal Law of the validity period, the modern doctrine of *nullum crimen sine lege* (“no crime without law”) interpreted more - additionally emphasizes the Criminal Law of the written form and absoluteness, analogy Insurance and the Law on the wording of accuracy and clarity.²

In criminal law legislation, in addition to fixed (formal) signs used to being assessed the constituent elements of the offense, which have certain characteristics and are not self-explanatory; their content directly becomes clear from the criminal law or its interpretation. These signs of the content mainly depend on the specific facts and individual legal consciousness in the law. Incriminating the character the content of it is evaluated on ad hoc basis, in addition, it is necessary to specify the criteria according to which it is alleged, also what specific actions of the accused are and how

¹ Crisan I. (2010) The principles of legality “nullum crimen, nulla poena sine lege” and their role, Published as part of the Effectius Newsletter, Issue 5 http://effectius.com/yahoo_site_admin/assets/docs/The_principles_of_legality_nullum_crimen_nulla_poena_sine_lege_and_their_role_Iulia_Crisan_Issue5.16811416.pdf

² Veršekys P. (2012) Principle nullum crimen sine lege and evaluative criteria of the body of the criminal act: correlation problem. TEISĖ 85, Vilnius University ISSN 1392-1274

they meet the benchmark constituent elements of the offense. For the offense of benchmark features and characteristics of the abundance of relativity their identification and classification is also relatively relative. Almost three-quarters of the Lithuanian Criminal Code of objective assessment are expressed by side features, and most often repeated evaluative serious damage, high-volume, heavy consequences grammatical construction, the clarity, and precision is a priority, but not absolute legal provision in the criminal law. Because of what the authors believes is the possible application of criminal liability for the Well-Known Trademarks violations, but this must be done very cautiously. *Nullum crimen sine lege certa* (“there is to be no penalty without definite law”) functioning narrows various legislative principles - the criminal law must not only be accurate and clear but also, the most concise, logical, without legal loopholes; In ECHR jurisprudence there are established qualitative definitions criteria of terms of availability and predictability; as well the universality of the law enforcement and loopholes to avoid aspiration. Evaluative mental element and *nullum crimen sine lege stricta* (“there is to be no penalty without strict law”) can be compatible with each other only in the event of case-law to form some of their interpretation and evaluation criteria - "fuses", and the court, explaining the character content, takes into account the will of the legislator, objectives, rights system and takes precedent formed by the criteria, and if you dare to depart - it motivates properly.¹ It is visible that to finally assess whether the application of criminal liability for the Well-Known Trademarks violations can only be a detailed analysis of specific countries standards modelled and national case law.

It should be noted that the aspect of the topic, it is important that, under the principle of *ultima ratio* (“the last resort (as force)”) in criminal law should be criminalized only such broad trade violations that can not be removed to less restrictive means or damage removal without law enforcement intervention on the offender's intentional actions have become extremely difficult.²

Below are two hypothetical situations, which in the author's opinion should be treated as criminal both:

1) The seller does not has a permission to trade in specific non-registered trademarks, but has a permit for intra - commercial activities, including: a) the goods are marked with unregistered trademark are not accounted for; b) the accounting documents for goods bearing the unregistered mark are of false information; c) the accounting documents provide insufficient information.

2) The seller is not authorized to carry out intra- commercial activities, as well as the specific consent of the marketing of an unregistered trademarks.

We see that in the first case, it is not possible to determine what was the extent of trafficking in counterfeit goods, because, for one reason or another it is not possible to determine from the records, concealing an illegal trade is legal; in the second case there is no possibility of an unregistered trademark owner to identify a specific offender and ask him to stop the trade actions.

If the accounting records are properly managed and they are recorded, all the information necessary to identify the goods bearing the trademark is not registered, turnover of the company is authorized to engage in intra-commercial activities, but

¹ Veršekys P. (2012) Principle *nullum crimen sine lege* and evaluative criteria of the body of the criminal act: correlation problem. TEISĖ 85, Vilnius University ISSN 1392–1274

² More - Pranka D. (2012), “The conception of marking the line between crime and tort in criminal law of Lithuania”, doctoral dissertation, Mykolas Romeris University

there is no permission to use a particular trademark, such violations should not be disposed of criminal legal means.

Also, it should be noted that well-known trademark the criminal law protection could be solved by extending the scope of criminal law. This can be done by pulling liable person for using not only in the offense country (elsewhere) registered, but also for example in EU or in the Paris Convention states members registered trademarks. However, this issue requires additional research, and due to the scope of this article is not analyzed.

For a Well-Known Trademark's infringement as a criminal offense subject, in the author's opinion it is noted that, criminal liability, as a *ultimo ratio* measure to protect a particular country unregistered trademarks should be used for activities related to goods or services getting in the market. In this regard, it is important to review the material goods and services in the electronic market access and operation within special features:

1) The material goods bearing a registered trademark for actions related to access to the market can be considered for commercial purposes are carried out: trade; transportation; warehousing; goods or parts thereof, when it is obvious that counterfeit is produced, etc.

2) E-product or service bearing a registered trade mark can not be counterfeited, an online space for what the territorial trademark for effective application becomes very difficult, because counterfeited goods or services availability becomes infinite. Typically, e-mail. service or product is inseparable from its content, along with the copyright protecting this content. One such example is when the paid online TV services are supplied- channel display, without the same trademark and content owners' consent, whose popularity and profits depend exclusively on offered channels together and brand (eg. Discovery) popularity. (Copyright and trademark rights are not analyzed in this article).

The above-mentioned sequence that criminal responsibility for the Well-Known Trademarks applicability to infringements of the legality *nullum crimen sine lege* (“no crime without law”) principle aspect is determined by the specific domestic regulatory and judicial practice ratio, this work can only be drawn to the conclusion that the right combination of extrinsic and purposeful development of the case law, it could be possible to criminalize the Well-Known Trademarks violations.

Conclusions

International law analysis shows that the Well-Known Trademark protection is determined by its value manifests the recognition providing a competitive advantage. Due to the extremely serious damage made counterfeiting both directly distorting the market and refinancing of other offenses, it is concluded that there is a demand to criminalize Well-Known Trademarks violations. Separately exclusive damage is made to consumers by unprotected specialized food products, medicines, children's goods.

By the *nullum crimen sine lege* (“no crime without law”) principle meaning, the legislator should ensure the criminal rate clarity and specificity combining specific criminal activities and evaluative elements of criminal activities. In the author's opinion, the offense under criminal signs in national laws (codes) can be expressed as a Well-Known Trademark as an object of the offense. In order to evaluate the characteristics of the object expressed by evaluative compliance *nullum crimen sine lege* (“no crime without law”) is necessary to analyze the specific criminal rate,

together with the case law. Therefore, it is concluded that the Well-Known Trademark rights violations criminalisation in itself would not violate *nullum crimen sine lege* (“no crime without law”) principle.

References

Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, UNTS. 299, 33 ILM 1197 (1994) [TRIPS Agreement].

Convention for the Protection of Human Rights and Fundamental Freedoms (adopted 4 November 1950, entered into force 3 September 1953). ETS 5; 213 UNTS 221 (ECHR)

Crisan I. (2010) The principles of legality “nullum crimen, nulla poena sine lege” and their role, Published as part of the Effectius Newsletter, Issue 5 http://effectius.com/yahoo_site_admin/assets/docs/The_principles_of_legality_nullum_crimen_nulla_poena_sine_lege_and_their_role_Iulia_Crisan_Issue5.16811416.pdf

Geiger, Ch., et al. (2012) Criminal Enforcement of Intellectual Property: A Handbook of Contemporary Research (Research Handbooks in Intellectual Property). United Kingdom: MPG Books group

Hart T., Fazzani L. (1997) Intellectual Property Law. London: Macmillan Press LTD

International Covenant on Civil and Political Rights (adopted 16 December 1966, registration date ex officio 23 March 1976) UNTS 999

Khatsernova S. (2015) The Problems of Interpretation and Application of the Offence for the Use of Another’s Trademark or Service Mark (Article 204 of the Criminal Code), master thesis, Mykolas Romeris University

Klimkevičiūtė D. (2005) Concept of a Well-Known Trade Mark and Criteria for Determination of whether a Trade Mark is a Well-Known (Some Theoretical and Practical Aspects) *Jurisprudencija*, Mykolas Romeris University, 71(63); 34–48

Klimkevičiūtė D. (2011) Problems of the Legal Protection of Well-Known Trademarks and Trademarks with a Reputation, doctoral dissertation, Mykolas Romeris University

Kokkinakis v. Greece, (dec.) no. 14307/88 ECHR 1993

Kuolelis, Bartoševičius and Burokevičius v. Lithuania (dec.) no. 74357/0119 ECHR 2008

Matthies, C., et al. (2009) Film Piracy, Organized Crime, and Terrorism. RAND Corporation

Nevera A., Klimkevičiūtė D. (2013) Criminal aspects of infringement of trademark rights, *Anales Universitatis Apulensis Series Jurisprudentia* No 16

Paris Convention for the protection of industrial property of March 20, 1883, as revised at Brussels on December 14, 1900, at Washington on June 2, 1911, at The Hague on November 6, 1925, at London on June 2, 1934, at Lisbon on October 31, 1958, and at Stockholm on July 14 1967. UNTS 828

Pires de Carvalho N. (2006) The TRIPS Regime of Trademarks and Designs. The Hague: Kluwen Law International

Pranka D. (2012), „The conception of marking the line between crime and tort in criminal law of Lithuania”, doctoral dissertation, Mykolas Romeris University

The European Commission proposal of 12 July 2005 for a European Parliament and Council directive on criminal measures aimed at ensuring the enforcement of intellectual property rights and proposal for a Council framework decision to strengthen the criminal law framework to combat intellectual property offences (KOM(2005) 276)

Veršekys P. (2012) Principle nullum crimen sine lege and evaluative criteria of the body of the criminal act: correlation problem. *TEISĖ* 85, Vilnius University ISSN 1392–1274