

By Senator Diaz de la Portilla

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1 A bill to be entitled

2 An act relating to the protection of trademarks against
3 counterfeiting; amending s. 495.001, F.S.; defining the
4 terms "counterfeit mark" and "retail value"; creating s.
5 495.1315, F.S.; providing that a person commits the
6 offense of involving goods bearing a counterfeit mark if
7 the person knowingly manufactures, uses, distributes,
8 displays, advertises, transports, sells, offers for sale,
9 or possesses with intent to sell, transport, or distribute
10 within this state any goods, services, or items bearing a
11 counterfeit mark; providing that if a person has in his or
12 her possession or under his or her control more than 25
13 counterfeit items, an inference arises that the items are
14 being possessed with the intent to offer for sale, sell,
15 or distribute the items in violation of law; providing
16 that a person who engages in the offense of involving
17 goods bearing a counterfeit mark commits a misdemeanor of
18 the first degree, a felony of the third degree, or a
19 felony of the second degree, depending on the quantity of
20 items or the retail value of the items; providing that a
21 person who engages in the offense of involving goods
22 bearing a counterfeit mark commits a felony of the third
23 degree, a felony of the second degree, or a felony of the
24 first degree, if, as a result of committing the offense,
25 the person knowingly or by culpable negligence causes or
26 allows to be caused bodily injury, serious bodily injury,
27 or death to another; requiring that convictions for a
28 second or subsequent offenses be reclassified; authorizing
29 the court to order a person to pay a fine up to three

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30 times the retail value of the goods seized, manufactured,
31 or sold, whichever is greater; requiring the court to
32 order a person convicted of the offense of involving goods
33 bearing a counterfeit mark to pay restitution to the
34 trademark owner and any other victim of the offense;
35 requiring the court to order a person convicted of the
36 offense of involving goods bearing a counterfeit mark to
37 forfeit to the state any property constituting or derived
38 from any proceeds that the person obtained, directly or
39 indirectly, as the result of the offense and forfeit any
40 property used to commit the offense; requiring the court
41 to order that any forfeited item bearing or consisting of
42 a counterfeit mark be destroyed or disposed of; providing
43 that conviction for an offense of involving goods bearing
44 a counterfeit mark does not preclude the person's
45 liability for any civil remedy available under law;
46 providing an effective date.

47
48 Be It Enacted by the Legislature of the State of Florida:

49
50 Section 1. Section 495.011, Florida Statutes, is amended to
51 read:

52 495.011 Definitions.--As used in this chapter:

53 (1) "Abandoned" applies to a mark when either of the
54 following occurs:

55 (a) When its use has been discontinued with intent not to
56 resume such use. Intent not to resume use may be inferred from
57 circumstances. Nonuse for 3 consecutive years shall constitute
58 prima facie evidence of abandonment.

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59 (b) When any course of conduct of the owner, including acts
60 of omission or commission, causes the mark to lose its
61 significance as a mark.

62 (2) "Applicant" means the person filing an application for
63 registration of a mark under this chapter and the legal
64 representatives, successors, or assigns of such person.

65 (3) "Certification mark" means any word, name, symbol, or
66 device, or any combination thereof, used by a person other than
67 the owner of the mark to certify regional or other origin,
68 material, mode of manufacture, quality, accuracy, or other
69 characteristics of such person's goods or services or that the
70 work or labor on the goods or services was performed by members
71 of a union or other organization.

72 (4) "Collective mark" means a trademark or service mark
73 used by the members of a cooperative, an association, or other
74 collective group or organization, and includes marks used to
75 indicate membership in a union, an association, or other
76 organization.

77 (5) "Counterfeit mark" means a spurious mark:

78 (a) That is applied to or used in connection with any
79 goods, services, labels, patches, stickers, wrappers, badges,
80 emblems, medallions, charms, boxes, containers, cans, cases,
81 hangtags, documentation, or packaging or any other components of
82 any type or nature which are designed, marketed, or otherwise
83 intended to be used on or in connection with any goods or
84 services;

85 (b) That is identical with, or substantially
86 indistinguishable from, a mark that is registered in this state,
87 in any state, or on the principal register in the United States

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88 Patent and Trademark Office, or that is protected by the Amateur
89 Sports Act of 1978, 36 U.S.C. s. 380, and in use, regardless of
90 whether the defendant knew the mark was so registered; and

91 (c) The application or use of which is likely to cause
92 confusion, to cause mistake, or to deceive or is otherwise
93 intended to be used on or in connection with the goods or
94 services for which the mark is registered.

95
96 An otherwise legitimate mark is considered counterfeit if, by
97 altering the nature of any item to which it is affixed, the
98 altered item bearing the otherwise legitimate mark is likely, in
99 the course of commerce, to cause confusion, to cause mistake, or
100 to deceive.

101 (6)~~(5)~~ "Department" means the Florida Department of State
102 or its designee charged with the administration of this chapter.

103 (7)~~(6)~~ "Dilution" means the lessening of the capacity of a
104 mark to identify and distinguish goods or services, regardless of
105 the presence or absence of:

106 (a) Competition between the owner of the mark and other
107 parties.

108 (b) Likelihood of confusion, mistake, or deception.

109 (8)~~(7)~~ "Mark" includes any trademark, service mark,
110 certification mark, or collective mark entitled to registration
111 under this chapter, whether or not registered.

112 (9)~~(8)~~ "Person," and any other word or term used to
113 designate the applicant or other party entitled to a benefit or
114 privilege or rendered liable under the provisions of this
115 chapter, means a juristic person as well as a natural person.
116 "Juristic person" includes a firm, partnership, corporation,

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117 union, association, or other organization capable of suing and
118 being sued in a court of law.

119 ~~(10)-(9)~~ "Registrant" means the person to whom the
120 registration of a mark under this chapter is issued and the legal
121 representatives, successors, or assigns of such person.

122 ~~(11)-(10)~~ "Related company" means any person whose use of a
123 mark is controlled by the owner of the mark with respect to the
124 nature and quality of the goods or services on or in connection
125 with which the mark is used.

126 (12) "Retail value" means:

127 (a) The counterfeiter's regular selling price for the goods
128 or services; however, if the goods or services bearing a
129 counterfeit mark would appear to a reasonably prudent person to
130 be authentic, the retail value is the price of the authentic
131 counterpart. If no authentic reasonably similar counterpart
132 exists, the retail value is the counterfeiter's regular selling
133 price.

134 (b) In the case of labels, patches, stickers, wrappers,
135 badges, emblems, medallions, charms, boxes, containers, cans,
136 cases, hangtags, documentation, or packaging or any other
137 components of any type or nature which are designed, marketed, or
138 otherwise intended to be used on or in connection with any goods
139 or services, each component of the finished good, which shall be
140 valued as provided in paragraph (a).

141 ~~(13)-(11)~~ "Service mark" means any word, name, symbol, or
142 device, or any combination thereof, used by a person to identify
143 and distinguish the services of such person, including a unique
144 service, from the services of others, and to indicate the source
145 of the services, even if that source is unknown. Titles,

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146 character names, and other distinctive features of radio or
147 television programs may be registered as service marks
148 notwithstanding that the person or the programs may advertise the
149 goods of the sponsor.

150 (14)~~(12)~~ "Trade name" means any name used by a person to
151 identify a business or vocation of such person.

152 (15)~~(13)~~ "Trademark" means any word, name, symbol, or
153 device, or any combination thereof, used by a person to identify
154 and distinguish the goods of such person, including a unique
155 product, from those manufactured or sold by others, and to
156 indicate the source of the goods, even if the source is unknown.

157 (16)~~(14)~~ "Use" means the bona fide use of a mark in the
158 ordinary course of trade and not used merely for the purpose of
159 reserving a right in a mark. For purposes of this chapter, a mark
160 is deemed to be in use:

161 (a) On goods when:

162 1. The mark is placed in any manner on the goods, their
163 containers or the displays associated therewith, or on the tags
164 or labels affixed thereto, or, if the nature of the goods makes
165 such placement impracticable, on documents associated with the
166 goods or their sale; and

167 2. The goods are sold or transported in this state.

168 (b) On services when the mark is used or displayed in the
169 sale or advertising of services and the services are rendered in
170 this state.

171 Section 2. Section 495.1315, Florida Statutes, is created
172 to read:

173 495.1315 Offenses involving counterfeit trademarks;
174 criminal penalties.--

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175 (1) A person commits the offense of involving goods bearing
176 a counterfeit mark if the person knowingly manufactures, uses,
177 distributes, displays, advertises, transports, sells, offers for
178 sale, or possesses with intent to sell, transport, or distribute
179 within this state any goods, services, labels, patches, stickers,
180 wrappers, badges, emblems, medallions, charms, boxes, containers,
181 or cans bearing a counterfeit mark, or any cases, hangtags,
182 documentation, or packaging or any other components of any type
183 or nature which are designed, marketed, or otherwise intended to
184 be used on or in connection with any goods or services bearing a
185 counterfeit mark.

186 (2) A person who has in his or her possession or under his
187 or her control more than 25 goods, labels, patches, fabric,
188 stickers, wrappers, badges, emblems, medallions, charms, boxes,
189 containers, cans, cases, hangtags, documentation, or packaging or
190 any other components of any type or nature bearing a counterfeit
191 mark, unless satisfactorily explained, gives rise to an inference
192 that the items are being possessed with the intent to offer for
193 sale, sell, or distribute the items in violation of this section.

194 (3) Except as provided in paragraphs (a), (b), and (c), a
195 person engaging in an offense involving goods bearing a
196 counterfeit mark commits a misdemeanor of the first degree,
197 punishable as provided in s. 775.082 or s. 775.083.

198 (a) If the offense involves 100 items or more, but fewer
199 than 1,000 items, bearing one or more counterfeit marks or, if
200 the goods involved in the offense have a retail value of more
201 than \$2,500, but less than \$20,000, the person commits a felony
202 of the third degree, punishable as provided in s. 775.082, s.
203 775.083, or s. 775.084.

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204 (b) If the offense involves 1,000 items or more bearing one
205 or more counterfeit marks or, if the goods involved in the
206 offense have a retail value of \$20,000 or more, the person
207 commits a felony of the second degree, punishable as provided in
208 s. 775.082, s. 775.083, or s. 775.084.

209 (c) If while committing an offense under this section or as
210 a result of committing an offense under this section a person
211 knowingly or by culpable negligence causes or allows to be
212 caused:

213 1. Bodily injury to another, that person commits a felony
214 of the third degree, punishable as provided in s. 775.082, s.
215 775.083, or s. 775.084.

216 2. Serious bodily injury to another, that person commits a
217 felony of the second degree, punishable as provided in s.
218 775.082, s. 775.083, or s. 775.084.

219 3. Death to another, that person commits a felony of the
220 first degree, punishable as provided in s. 775.082, s. 775.083,
221 or s. 775.084.

222 (d) If a person, after having previously been convicted of
223 committing an offense under this section, is convicted of a
224 second or subsequent offense under this section, the second or
225 subsequent offense shall be reclassified as follows:

226 1. In the case of a felony of the second degree, to a
227 felony of the first degree.

228 2. In the case of a felony of the third degree, to a felony
229 of the second degree.

230 3. In the case of a misdemeanor, to a felony of the third
231 degree.

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233 For purposes of sentencing under chapter 921 and determining
234 incentive gain-time eligibility under chapter 944, a felony
235 offense that is reclassified under this paragraph is ranked one
236 level above the ranking under s. 921.0022 or s. 921.0023 of the
237 felony offense committed. For purposes of sentencing under
238 chapter 921 and determining incentive gain-time eligibility under
239 chapter 944, the misdemeanor offense is ranked in level 4 of the
240 offense severity ranking chart.

241 (4) In lieu of a fine otherwise authorized by law, if a
242 person has been convicted of an offense involving goods bearing
243 counterfeit marks, the court may order the person to pay a fine
244 up to three times the retail value of the goods seized,
245 manufactured, or sold, whichever is greater, and may enter orders
246 awarding court costs and the costs of investigation and
247 prosecution. The court shall hold a hearing to determine the
248 amount of the fine.

249 (5) If a person is convicted of an offense under this
250 section, the court, pursuant to s. 775.089, shall order the
251 person to pay restitution to the trademark owner and any other
252 victim of the offense. In determining the value of the property
253 loss involving an offense against the trademark owner, the court
254 shall, for purposes of determining restitution grant restitution
255 for any and all amounts, including, but not limited to, expenses
256 incurred by the trademark owner in the investigation and
257 prosecution of the offense as well as the disgorgement of any
258 profits realized by a person convicted of such offense.

259 (6) (a) The following property is subject to seizure by any
260 law enforcement officer and subject to forfeiture to the state
261 and no property right shall exist in such property:

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262 1. Any article bearing or consisting of a counterfeit mark
263 used in committing a violation of this section.

264 2. Any property used, in any manner or part, to commit or
265 to facilitate the commission of a violation of this section.

266 (b) The court, in imposing sentence on a person convicted
267 of an offense under this section, shall order, in addition to any
268 other sentence imposed, that the person forfeit to the state:

269 1. Any property constituting or derived from any proceeds
270 the person obtained, directly or indirectly, as the result of the
271 offense;

272 2. Any of the person's property used, or intended to be
273 used, in any manner or part, to commit, facilitate, aid, or abet
274 the commission of the offense; and

275 3. Any item that bears or consists of a counterfeit mark
276 used in committing the offense.

277 (c) At the conclusion of all criminal and civil forfeiture
278 proceedings, the court shall order that any forfeited item
279 bearing or consisting of a counterfeit mark be destroyed or
280 alternatively disposed of in another manner with the written
281 consent of the trademark owner. The owner of the registered or
282 protected mark is responsible for the costs incurred in disposing
283 of the forged or counterfeit items.

284 (7) (a) Any state or federal certificate of registration of
285 trademark is prima facie evidence of the facts stated therein.

286 (b) Notwithstanding any other law, prosecution may be had
287 for all violations of this section and for any other criminal
288 violation that may apply. Prosecution for violation of any of the
289 offenses described in this section does not preclude the
290 applicability of any other provision of law which presently

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291 applies or may in the future apply to any transaction that
292 violates this section, unless such provision is inconsistent with
293 the terms of this section.

294 (c) Conviction for an offense under this section does not
295 preclude the defendant's liability for any civil remedy
296 available under law.

297 Section 3. This act shall take effect July 1, 2008.