

The Troubling Role of Federal Registration in Proving Intellectual Property Crimes

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Courts in the United States routinely accept proof of federal registration to support evidentiary presumptions in intellectual property enforcement proceedings. Evidentiary presumptions of validity flowing from federal registration of trademarks and copyrights increase the efficiency of such proceedings but raise special concerns in criminal prosecutions because they trigger constitutional protections that do not arise in civil litigation between private parties. Criminal trademark counterfeiting and criminal copyright infringement represent the principal federal offenses that rely upon proof of federal registration in the foregoing fashion.

A charge of criminal trademark counterfeiting requires prosecutors to establish the existence of a trademark registration on the Principal Register of the United States Patent and Trademark Office, typically accomplished by introducing a certificate of registration that cites the specific mark in question and lists goods or services in conjunction with which the mark is used in commerce. The existence of a federal registration constitutes the jurisdictional element of the crime. Once the government has shown the requisite registration, it must prove that the defendant's activities "match up" to the registration. In other words, the defendant must knowingly use a spurious mark, defined as a mark that is identical to or substantially indistinguishable from the mark shown on the registration, on or in connection with the goods or services listed in the registration. When the government makes that showing and proves that the defendant intentionally trafficked or attempted to traffic in such items resulting in a likelihood of consumer confusion, criminal activity is established.

When prosecuting such cases, federal officials rely upon evidence of federal trademark registration to create a mandatory rebuttable presumption of validity of the intellectual property rights at issue. The presumption is mandatory because, by designating a federal registration as an element of the crime, the criminal statute implicitly incorporates the Lanham Act's recognition that a federal registration constitutes *prima facie* evidence of, *inter alia*, the subject mark's validity. As a result, the presumption mandates that the court rule in favor of the government on the validity issue in the absence of countervailing evidence. Although the presumption is rebuttable, U.S. Supreme Court precedent leaves open the question whether such a presumption may ever arise against the defendant if it creates a mandatory inference as to an element of the crime. At all events, operation of any evidentiary presumption must accord with guarantees in the Due Process Clause of the U.S. Constitution. Most criminal defendants do not have access to the intellectual property expertise necessary to raise a viable challenge to validity of the registration and will have no basis or standing to seek cancellation of the registration either in the criminal prosecution or in a corollary civil or administrative proceeding. This fact is particularly troubling given the attenuated nature of the type of confusion normally at issue in counterfeiting cases, at

least those that relate to luxury goods, i.e., post-sale or secondary confusion. Whether facially unconstitutional or because application of a mandatory presumption in this context violates due process guarantees, courts should avoid use of this evidentiary tool in criminal enforcement of intellectual property rights.

Closely related to operation of an evidentiary presumption is the burden of proving an affirmative defense; presumptions that shift the burden of persuasion can be functionally equivalent to the requirement that a defendant bear the burden of proving a particular defense. The criminal trademark counterfeiting statute expressly incorporates all “relevant” Lanham Act defenses and affirmative defenses and places the burden of proving those defenses on the defendant by a preponderance of the evidence. Several of those defenses go to the validity of the federal registration and, if proven, will disprove the jurisdictional element of the crime. To the extent that incorporation of Lanham Act defenses into the criminal statute amounts to a requirement that defendants not only bear the initial burden of production on validity issues but also the ultimate burden of negating an element of the crime, the statute violates constitutional due process guarantees.

Although the statute establishing the federal crime of copyright infringement makes no mention of federal registration, it explicitly requires proof of existence of a valid copyright. In such prosecutions, courts typically invite certificates of copyright registration to establish *prima facie* evidence of validity of the copyright. To the extent that courts give effect to a mandatory presumption in these cases as in trademark counterfeiting prosecutions, the courts risk reversal on constitutional grounds. To the extent that such courts invoke only a permissive inference, U.S. Supreme Court precedent requires a rational connection between proof of the basic fact and inference of the ultimate fact. In other words, existence of a copyright registration must at least increase the probability that a valid copyright exists. Unlike the administrative examination and review process that attends federal trademark registration, the process of copyright registration involves no in-depth inquiry into validity or any other matter stated in the application for registration, but, for the most part, takes the applicant’s representations regarding the subject work at face value. As a consequence, existence of a copyright registration has scant logical relevance to validity and certainly does not establish it to any probative degree. If a court relies upon a permissive presumption flowing from copyright registration, the court will violate constitutional due process guarantees unless other evidence has been adduced to support existence of a valid copyright.

This article explores the troubling effect that evidence of federal registration has on defendants in intellectual property criminal proceedings. When trademark counterfeiting is at issue, a criminal defendant’s ability to challenge validity is not on a par with a civil litigant’s ability but, more importantly, a criminal defendant should not be placed in the position of having to disprove validity, a central element of the government’s case. Criminal copyright infringement presents similar concerns and, additionally, points out the weakness of a copyright registration as evidence of validity.