

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
Office of the Attorney General for the District of Columbia

Public Safety Division



**MEMORANDUM**

**TO:** Richard Schmechel  
Executive Director  
D.C. Criminal Code Reform Commission

**FROM:** Dave Rosenthal  
Senior Assistant Attorney General

**DATE:** December 18, 2019

**SUBJECT:** First Draft of Report #44, Trademark Counterfeiting

The Office of the Attorney General for the District of Columbia (OAG) and the other members of the Code Revision Advisory Group of the D.C. Criminal Code Reform Commission (CCRC) were asked to review the First Draft of Report #44, Trademark Counterfeiting.<sup>1</sup>

**COMMENTS ON THE DRAFT REPORT**

Both first and second degree trademark counterfeiting include as an element that the person “[k]nowingly manufactures for commercial sale, possesses with intent to sell, or offers to sell, property bearing or identified by a counterfeit mark.” [emphasis added] See RCC § 22E-2210 (a)(1) and (b)(1). It is unclear why the proposal includes the word “commercial.” The term is not defined, and its inclusion may cause unnecessary litigation. While a primary definition of commercial is “of or relating to commerce”, a secondary definition is “viewed with regard to profit.”<sup>2</sup> There should be no question that the government does not have to prove that the manufacturer of counterfeit products turned a profit on its production or sale. OAG believes that this offense should clearly state that it applies to anyone who “knowingly manufactures for sale...” such property. In addition, it should be clear that the term “sale” in this context includes the transfer of the property to a third party for anything of value – and not merely for money. This would also help clarify the portion of the Commentary that states, “By contrast, the revised

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<sup>1</sup> This review was conducted under the understanding that the structure of the code revision process allows the members of the Code Revision Advisory Group an opportunity to provide meaningful input without limiting the position that the members may take at any subsequent hearing that the Council may have on any legislation that may result from the Report.

<sup>2</sup> See <https://www.merriam-webster.com/dictionary/commercial>.

statute clarifies that merely using a counterfeit mark, without intent to sell property bearing or identified by a counterfeit mark, is not criminalized.” Finally, to make this clear and for consistency throughout the RCC, OAG proposes that the term “sale” be defined in § 22E-701 to include transfers to third parties for anything of value.<sup>3</sup>

Paragraph (c) contains the exclusion from liability. It states, “Nothing in this section shall be construed to prohibit uses of trademarks that are legal under civil law.” The term “civil law” is not defined in either the text of the offense or in the Commentary. It is unclear if what is meant is that “civil law” means anything that is not “criminal law” or if it carries a narrower meaning (e.g. that this provision is meant to exempt only what is legal under trademark law. To clarify this provision, OAG suggests that it be redrafted to say, “Nothing in this section shall be construed to prohibit the legal uses of trademarks.”

In the Commentary it states, “Use of wrappers, bottles, or packaging may be covered by the revised statute only if they constitute a “counterfeit mark.” To avoid confusion, OAG suggests that the Commentary clarify that while wrappers, bottles and packaging may constitute a counterfeit mark, for purposes of determining whether “the property, in fact, has a total retail value of \$5,000 or more” that the value of the property that is contained in the wrapper, bottle, or package is included in the valuation – and not merely the value of the container that bears the counterfeit mark.<sup>4</sup>

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<sup>3</sup>RCC § 22E-701 does not currently define the term “sale.”

<sup>4</sup> One way to commit first degree Trademark Counterfeiting, pursuant to RCC § 22E-2210 (a)(2), is for the property to, in fact, have a total retail value of \$5,000 or more.