

Alerts and Updates

PENNSYLVANIA SUPREME COURT OVERTURNS STATE TRADEMARK COUNTERFEITING LAW

October 9, 2009

On October 5, 2009, the Pennsylvania Supreme Court overturned Pennsylvania's trademark counterfeiting law.

In a 4–3 decision, the majority on the court concluded the law was unconstitutionally broad and that it violated the U.S. Constitution's guarantee of free speech. In the consolidated cases of *Commonwealth v. Omar* and *Commonwealth v. O'Connor*,¹ the court's majority held that, under the Pennsylvania Trademark Counterfeiting Statute,² the use of any items bearing an unauthorized reproduction of words used by a person to identify that person's goods or services was criminalized. Moreover, any limiting language applied in the statute did not apply to all of the verbs in the definition—only to one verb—rendering the statute overbroad and creating a "chilling" effect on speech, bringing with it a fear of prosecution.

The court's decision turned on "poor" legislative drafting. The relevant part of the overturned Pennsylvania Trademark Counterfeiting Statute reads as follows:

(a) Offense defined—Any person who knowingly manufactures, uses, displays, advertises, distributes, offers for sale, sells or possesses with intent to sell or distribute any items or services bearing or identified by a counterfeit mark shall be guilty of the crime of trademark counterfeiting.

* * *

(i) Definitions—As used in this section, the following words in this section, the following words and phrases shall have the meanings given to them in this subsection:

"Counterfeit mark." Any of the following:

- (1) Any unauthorized reproduction or copy of intellectual property.
- (2) Intellectual property affixed to any item knowingly sold, offered for sale, manufactured or distributed or identifying services offered or rendered, without the authority of the owner of the intellectual property.

"Intellectual property." Any trademark, service mark, trade name, label, term, device, design or word adopted or used by a person to identify that person's goods or services.³

The Pennsylvania Supreme Court focused its attention on the definition of "intellectual property" in the statute and concluded that the definition criminalizes the use of a trademark, but also criminalizes the use of those same trademarked words without any accompanying logo or stylization. Justice Max Baer, writing for the supreme court's majority, agreed with the Centre County Court of Common Pleas that the statute "unconstitutionally prohibits protected speech, including the use of words on a sign praising or protesting any entity with a trademarked name, including Penn State."

The cases on appeal began in Centre County, where two men—Mr. Omar and Mr. O'Connor—were arrested under separate circumstances for violating the trademark counterfeiting statute. Mr. Omar was charged with possession of what appeared to be boxes of counterfeit Nike sneakers in his car during a traffic stop. Mr. O'Connor was arrested for selling hats bearing the Penn State logo outside Beaver Stadium on the Penn State campus.

The Centre County Court of Common Pleas dismissed the charges against both Mr. Omar and Mr. O'Connor, based on its prior decision, finding the Pennsylvania Trademark Counterfeiting Statute to be vague and overbroad.

In its appeal, the state did not persuade the supreme court's majority by arguing that the limiting phrase "with intent to sell or distribute" should be applied to the entire list of verbs in the definition of the offense. On the contrary, the Pennsylvania Supreme Court's decision rests on the rules of statutory construction, which provide that words and phrases shall be construed to rules of grammar. Here, the last antecedent rule and the broad definition of "intellectual property" in the statute resulted in criminalizing behavior that otherwise was constitutionally permitted under the First Amendment to the U.S. Constitution.

This decision may pave the way for the Pennsylvania legislature to act quickly to revise Pennsylvania's Trademark Counterfeiting Statute.⁴ In fact, an amended definition of a "counterfeit mark" was proposed in Pennsylvania Senate Bill No. 895 of 2007, and was referred to the Senate Judiciary Committee in June 2007. However, as of July 31, 2009, the Pennsylvania General Assembly does not indicate any further action on the amendment.

In the meantime, not having an enforceable anticounterfeiting statute in Pennsylvania does not leave aggrieved parties without remedy. Other civil and criminal laws for seizing counterfeit items are still available.

For Further Information

If you would like more information on this topic, please contact any of the [attorneys](#) in our [Intellectual Property Practice Group](#) or the attorney in the firm with whom you are regularly in contact.

Notes

1. *Commonwealth of Pennsylvania v. Omar A. Omar; Commonwealth of Pennsylvania v. Daniel J. O'Connor*, 2009 Pa. LEXIS 2104 (Pa. Oct. 5, 2009).
2. Pennsylvania Trademark Counterfeiting Statute, 18 Pa. Cons. Stat. § 4119.
3. *Id.*
4. *Id.*