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R v Johnstone (2003)  
Elena Cooper\*

Introduction

For intellectual property lawyers today, *R v Johnstone*<sup>1</sup> is a rare case: it is the only House of Lords ruling on the criminal law provisions of a current intellectual property statute. The appeal concerned the conviction of one Robert Alexander Johnstone at Kingston Crown Court for 12 counts under section 92 of the Trade Marks Act 1994,<sup>2</sup> relating to the possession of bootleg CDs (unauthorised recordings of live performances by well-known popular music acts). In each instance, the registered trade mark was the name of the music artist in question, eg Bon Jovi, which appeared on the bootleg CD. Johnstone appealed against his conviction; he had pleaded guilty after the Crown Court had ruled that he was not entitled to argue his defence by reference to the limits imposed by civil law on infringing uses of a trade mark. Both the Court of Appeal and House of Lords found in his favour. The House of Lords held that implicit in section 92 was the requirement that the defendant's use was one to which the trade mark proprietor could object under the civil law of trade marks: the defendant's use of the sign must be use 'as a trade mark'.<sup>3</sup>

Today, *Johnstone* is usually remembered by intellectual property lawyers for what the Lords had to say about the meaning of 'use as a trade mark' and this has been much discussed in existing scholarship.<sup>4</sup> As Lord Nicholls opined:

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<sup>1</sup> *R v Johnstone* [2003] UKHL 28, [2003] 1 WLR 1736, [2002] EWCA Crim 194, [2003] FSR 56.

<sup>2</sup> The details of s 92 are at the text following n 25.

<sup>3</sup> *ibid* (HL), [28] and [31], Lord Nicholls.

<sup>4</sup> See, for example, NM Dawson, 'Non-Trade Mark Use', (2012) 4 *Intellectual Property Quarterly* 204–26; B Trimmer, 'The Power of Attraction: Do Trade Marks have an "Image" Problem in the English Courts', (2009)

the essence of a trade mark has always been that it is a badge of origin. It indicates trade source: a connection in the course of trade between the goods and the proprietor of the mark.<sup>5</sup>

On this issue, *Johnstone* is a dated landmark; the legal landscape has changed significantly since *Johnstone* was decided in 2003. Two points can be noted. First, developments in the European Court of Justice's case law mean that it is now clear that a broad range of other trade mark functions are now relevant under the civil law of trade marks: 'in particular ... guaranteeing the quality of the goods or services in question and those of communication, investment or advertising'.<sup>6</sup> The expansion in trade mark functions in the civil law has resulted in increased importance for defences to infringement (section 11) in limiting the scope of protection. Accordingly, were the test in *Johnstone* to be adapted to accommodate these other trade mark functions, no longer would it set significant limits on section 92; the 'scope or "footprint" of section 92' would not be necessarily 'smaller than and wholly contained within, the 'footprint' of the civil infringement sections', as the Lords had intended.<sup>7</sup>

Secondly, as House of Lords' judgments acknowledged,<sup>8</sup> the issue of trade mark use would not have arisen had the case in *Johnstone* instead been brought in respect of criminal offences relating to copyright (eg in the music and lyrics) and/or performers rights (in respect of an 'illicit recording') under sections 107 and 197 Copyright Designs and Patents Act 1988.<sup>9</sup> The prosecution in *Johnstone* brought the case under the Trade Marks Act 1994 because of the far higher penalties available at that time for trade mark offences (a maximum of ten years'

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*European Intellectual Property Review* 195–201; P Yap, 'Making Sense of Trade Mark Use', (2007) 29 *European Intellectual Property Review* 10, 420–27. C Rutz, 'After *Arsenal* and *Electrocoin*: Can the Opinions on Trade Mark Use be Reconciled?', (2005) 36 *International Review of Intellectual Property and Competition Law* 6, 682–705; H Norman, 'Time to Blow the Whistle on Trade Mark Use?', (2004) 1 *Intellectual Property Quarterly* 1–34.

<sup>5</sup> *R v Johnstone*, HL [13].

<sup>6</sup> C-487/07 *L'Oreal v Bellure* [2009] ECR I-5185 (ECJ, First Chamber), [58]. See also, C-236/08-238/08 *Louis Vuitton v Google France* [2010] ECR I-2417 (ECJ, Grand Chamber), [77]; C-558/08 *Portakabin v Primakabin* [2010] ECR I-6963 (ECJ, First Chamber), [30].

<sup>7</sup> *R v Johnstone*, HL, [73] per Lord Walker.

<sup>8</sup> *ibid*, HL [40] per Lord Nicholls and [86] per Lord Walker.

<sup>9</sup> 1988.

imprisonment and/or a fine<sup>10</sup>) as compared to criminal offences relating to performers' rights or copyright (then, a maximum of two years imprisonment and/or a fine<sup>11</sup>). However, this inconsistency has since been removed: the maximum penalty of ten years and/or an unlimited fine is now also applicable to copyright and performers' rights<sup>12</sup> (though the discrepancy remains for online infringement).<sup>13</sup>

As well as the question of trade mark use, the ruling in *Johnstone* is also well known for the human rights issues that it raised: its contribution to case law on the nature of burden of proof to be borne by the defendant in running a statutory defence (in *Johnstone*, section 92(5) Trade Marks Act 1994, discussed later) and its compatibility with the presumption of innocence under Art 6(2) of the European Convention of Human Rights. In *Johnstone*, the House of Lords preferred the approach of the Court of Appeal in *R v S*,<sup>14</sup> over that of the Court of Appeal in *Johnstone*; section 92(5) imposed a legal burden on the accused and this was compatible with the presumption of innocence in Article 6(2) European Convention on Human Rights.<sup>15</sup> This aspect of *Johnstone* has also been closely considered in the existing literature.<sup>16</sup>

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<sup>10</sup> Trade Marks Act 1999, s 92(6).

<sup>11</sup> Copyright Designs and Patents Act 1988, ss 107(4)(b) and 198(5)(b) as enacted.

<sup>12</sup> Copyright Designs and Patents Act 1988, ss 107(4)(b) and 198(4)(b) introduced by the Copyright etc and Trade Marks (Offences and Enforcement) Act 2002, s 1. The same maximum penalties are also now applicable to registered design infringement: Intellectual Property Act 2014, s 13, introducing a new s 35ZA Registered Designs Act 1949.

<sup>13</sup> Copyright Designs and Patents Act 1988, ss 107(4A)(b) and 198(4A)(b): where the offences are committed by communicating a work to the public, the maximum penalty remains two years' imprisonment or a fine. The *Gowers Review on Intellectual Property* (2006) recommended the removal of this inconsistency as regards copyright law (Recommendation 36, para 5.81) and it is the current Government's intention to introduce legislation on this point (*Criminal Sanctions for Online Copyright Infringement: Government Consultation Response*, IPO, 2016).

<sup>14</sup> *R v S* [2002] EWCA Crim 2558, 1 Cr App R 35.

<sup>15</sup> *R v Johnstone*, HL, [54]. This aspect of the case is referred to at (text to n 64 below).

<sup>16</sup> See, for example: NP Metcalfe and AJ Ashworth 'Case Comment: Trade Mark: Trade Marks Act 1994 ss 11(2), 92 – infringement' (2004) *Criminal Law Review* 245–47; V Tadros and S Tierney, 'The presumption of innocence and the Human Rights Act' (2004) 67 *Modern Law Review* 3, 402–34; B Fitzpatrick, 'Reverse burden and Article 6(2) of the European Convention on Human Rights' (2005) 69 *Journal of Criminal Law* 6, 478–84; I Dennis, 'Reverse Onuses and the Presumption of Innocence: In Search of Principle' (2005) *Criminal Law Review* 901–36.

This chapter leaves these more frequently discussed aspects of *Johnstone* to one side. Instead, I consider *Johnstone* as a landmark in an area that has to date received little consideration: the relation between civil and criminal law in intellectual property. Intellectual property offences, I argue, are caught between their characterisation, on the one hand, as offences of ‘dishonesty’ and on the other, ‘quasi-criminal’ regulatory crime. I argue that the public interest dimension to countering piracy and counterfeiting, which justifies a regulatory characterisation, explains the approach adopted by the Lords in *Johnstone*.

In considering the relation between civil and criminal law in intellectual property, this chapter fills an important gap in the existing literature. To date, there has been little literature on this relation and this gives only cursory attention to *Johnstone*.<sup>17</sup> The exception here is Andreas Rahmatian’s 2004 *Modern Law Review* article ‘Trade Mark Infringement as a Criminal Offence’, which provides an analysis of all aspects of the *Johnstone* decision, including the relation between civil and criminal law.<sup>18</sup> On the latter question, Rahmatian struggled to understand why the House of Lords did not assert a yet closer relation between civil and criminal law concepts.<sup>19</sup> Rahmatian advocated an approach treating section 92 as ‘a criminal infringement provision, ie based on civil infringement and containing additional aggravating factors which together trigger criminal responsibility’;<sup>20</sup> after all, as he explained:

In the area of property offences, the criminal law frequently reverts to the civil law when interpreting elements of the *actus reus*. For example, the element ‘property belonging to another’, in section 1 of the Theft Act 1968 ... is determined not only on the basis of sections 4 and 5 of that Act, but also on the basis of civil law.<sup>21</sup>

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<sup>17</sup> *Johnstone* is given only cursory attention in C Sharp and J Smith, ‘The Interplay Between Civil and Criminal IP Litigation in the UK’ (2012) 7 *Journal of Intellectual Property Law & Practice* 8, 573–79.

<sup>18</sup> A Rahmatian, ‘Trade Mark Infringement as a Criminal Offence’ (2004) 67 *Modern Law Review* 4, 670–83, 675–77. For the implications of *Johnstone* for Scottish intellectual property law: A Rahmatian, ‘Vestiges of a Scottish Intellectual Property Law?’ (2004) 2 *Juridical Review* 209–12.

<sup>19</sup> Rahmatian, *Trade Mark Infringement* (n 18) 675: ‘Several aspects of *Johnstone* are not easy to understand. One is the argument that the criminal offence has to be seen as a separate entity in principle, alongside the civil infringement law.’

<sup>20</sup> *ibid* 676.

<sup>21</sup> *ibid*.

This chapter, among other things, responds to Rahmatian's question. In doing so, it refers to the appeal papers held at the Parliamentary Archives, Westminster,<sup>22</sup> which reveal that analogies with theft presented in argument to the Lords supported the opposite conclusion to that noted by Rahmatian: that section 92 should be interpreted without reference to the civil law. As we will see, *R v Johnstone*, is a landmark in disassociating the elements of intellectual property crime from theft for reasons different to those put forward by Rahmatian.

In critically analysing the decision in *Johnstone*, this chapter also draws on original research into the experience of criminalising trade mark infringement from a very different time and context: the mid-nineteenth century. The important role that processes of criminalisation played in the making of the modern law of trade marks is analysed, focusing on the history of the first statute to provide protection for trade marks generally, regardless of subject matter: the Merchandise Marks Act 1862.<sup>23</sup> The experience of criminalisation from a very different time and context enables us to engage more critically with intellectual property crime today, by shifting the focus from immediately obvious explanations for the ruling in *Johnstone* (eg objectives of EU harmonisation of the civil trade mark law, and the language used by section 92) and drawing attention to underlying tensions in the law: both in the nineteenth century and today, trade mark offences were caught between efficient enforcement and the paradigm of serious crime involving dishonesty (theft today and forgery in the nineteenth century). History, therefore, in taking our attention away from the simple explanations, enables us to identify the more deep-seated ambivalence in the relation between intellectual property offences and paradigms of real crime today.

This chapter is structured as follows. I begin by presenting a detailed account of the case of *Johnstone*, tracing its history through the rulings of the

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<sup>22</sup> House of Lords Appeal Cases, Series 3, HL/PO/JU/4/3/2272, held by Parliamentary Archives, Houses of Parliament, Westminster, London; hereafter 'Appeal Papers'.

<sup>23</sup> 25 & 26 Vict.

Crown Court, Court of Appeal and finally the House of Lords (section II). The analysis here focuses on the issue of the relation between civil and criminal law, and this is explained, in section III, by reference to wider criminal law categories. Following this, in section IV, in line with the purpose of *The Landmark Cases* series, I look to historical antecedents to *Johnstone*: the story of criminalisation in the making of the Merchandise Marks Act 1862. As the conclusion in section V argues, while the context for the 1862 Act was very different, this broad historical vantage point assists us to reflect more critically on *Johnstone* and intellectual property crime more generally today.

## 2 The Decision in *R v Johnstone*

### A Facts and Background

In October 1997, a package containing over 500 bootleg CDs and related artwork was sent by a Robert Alexander Johnstone through the post and delivered to the wrong address. The recipient contacted Polygram Records who, in turn, alerted the police. The police searched Johnstone's home in New Malden, accompanied by a representative of the British Phonographic Industry, and found around 500 further bootleg CDs and cassettes. The police also spoke to an employee of Johnstone, working in an outhouse to Johnstone's home, who said he packed 400 to 500 such CDs/cassettes every day.<sup>24</sup>

Criminal proceedings were initiated in March 1999. The indictment contained 12 specimen counts under section 92(1)(c) Trade Marks Act 1994. Each count alleged that Johnstone had in his possession, custody or control, various bootleg CDs bearing the names of well-known music acts that were registered trade marks (Bon Jovi, U2, The Rolling Stones, Rage Against the Machine, Metallica, Simply Red), and recited the key elements of the offence under section 92(1)(c).<sup>25</sup> Section 92(1)(c) provides that 'a person commits an

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<sup>24</sup> 'Agreed Statement of Facts and Issues' paras 1.1–1.4, Appeal Papers (n 22).

<sup>25</sup> 'Indictment', Appeal Papers (n 22).

offence who, with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor ... has in his possession, custody or control in the course of a business any such goods with a view to the doing of anything, by himself or another, which would be in offence' under section 92(1)(b). Section 92(1)(b) criminalises unauthorised acts of selling, letting for hire, offering or exposing for sale or hire or distributing 'goods which bear, or the packaging of which bears, a sign that is identical or, or likely to be mistaken for a registered trade mark', with a view to gain for himself or another or with intent to cause loss to another.

## B The Crown Court Proceedings

Kingston Crown Court heard the case in October 1999, before Judge Mitchell. Johnstone began by pleading not guilty. His Defence Case Statement explained that the 'general nature of his defence' was that the use of the signs in question (Bon Jovi, U2, etc) was not 'trade mark use';<sup>26</sup> rather the signs merely indicated who the performers were.<sup>27</sup> If that argument was not accepted, the Defence Case Statement indicated that Johnstone wished to rely on the statutory defence in section 92(5) Trade Marks Act 1994.<sup>28</sup> This provides that it is 'a defence for a person charged with an offence under this section to show that he believed on reasonable grounds that the use of the sign in the manner in which it was used, or was to be used, was not an infringement of the registered trade mark.' To support these points, Johnstone claimed that he had been advised by a reputable trade mark attorney that his use of the signs in question was not trade mark infringement.<sup>29</sup>

Before the jury was appointed, Judge Mitchell ruled on a preliminary point. Counsel for Johnstone argued that, when the jury came to consider the

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<sup>26</sup> 'Agreed Statement of Facts and Issues', para. 2.3, Appeal Papers (n 22).

<sup>27</sup> *R v Johnstone*, CA, [34].

<sup>28</sup> 'Agreed Statement of Facts and Issues', para. 2.3, Appeal Papers (n 22).

<sup>29</sup> *ibid* para 2.4.



statutory defence under section 92(5), they should be directed to have regard to the civil infringement and defence provisions of sections 9–11 Trade Marks Act; civil liability under sections 9–11 should be a prerequisite to a finding of criminal liability under section 92.<sup>30</sup> This was because, as well as arguing that there was no ‘trade mark use’, Johnstone wished to rely on section 11(2)(b) of the Trade Marks Act which provides that ‘the use of indications concerning the kind ... or other characteristics of goods’ is not an infringement, if this was in accordance with ‘honest practices in industrial or commercial matters’. Johnstone’s argument was that the signs in question merely indicated who the performers were.<sup>31</sup>

Following other decisions at Crown Court level,<sup>32</sup> Judge Mitchell rejected these submissions; he held that the criminal provisions in section 92 ‘stand alone and should in no way be connected to the civil or tortious aspect that is created within this Act’.<sup>33</sup> In particular, the word ‘infringement’ in section 92, merely denoted ‘unauthorised use’ of a mark, and not infringement as determined by reference to the civil law of trade marks.<sup>34</sup> Following this ruling, Johnstone changed his plea to guilty. He was sentenced to six months’ imprisonment, concurrent, on each count. In addition, a confiscation order was imposed, by consent, for £130,181.24 (to be paid within 18 months, with three years’ imprisonment in default), as well as orders for forfeiture of all materials seized by the police during their investigations.<sup>35</sup> This was Johnstone’s second conviction for an offence of this kind.<sup>36</sup>

## C The Appeal to the Court of Appeal

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<sup>30</sup> ‘Ruling of His Honour Judge Mitchell of 25 October 1999’, Appeal Papers (n 22).

<sup>31</sup> *R v Johnstone*, CA, [10]. The House of Lords referred to the reliance on s 11(2)(b) as an alternative to the defence in s 92(5), see *R v Johnstone*, HL, [21].

<sup>32</sup> *R v Johnstone*, CA [10].

<sup>33</sup> ‘Ruling of His Honour Judge Mitchell of 25 October 1999’, Appeal Papers (n 22).

<sup>34</sup> *ibid.*

<sup>35</sup> ‘Criminal Appeal Office Summary’, Appeal Papers (n 22).

<sup>36</sup> *R v Johnstone*, CA, [12].

Leave to appeal to the Court of Appeal against the conviction was then granted in relation to a number of questions, concerning different facets of the relation between civil and criminal law. First, was it necessary for the Crown to prove the civil infringement of a registered trade mark under sections 9–11 Trade Marks Act 1994, in a prosecution under section 92(1)? Secondly, could a defendant relying on the statutory defence in section 92(5) also rely on the civil sections of 9–11 Trade Marks Act? More specifically, did the words ‘infringement of a registered trade mark’ in section 92(5) denote civil infringement? Thirdly, if civil infringement was not a prerequisite to the offence under section 92, was section 92 compatible with the EU Trade Marks Directive (89/104/EEC), which sought to harmonise aspects of the civil law of trade marks?<sup>37</sup>

In January 2002, the Court of Appeal allowed Johnstone’s appeal. Tuckey LJ, delivering a judgment with which Pumfrey and Burton JJ agreed, held that ‘unless there is a civil infringement, there can be no offence under section 92’.<sup>38</sup> First, this was the proper interpretation of the words of section 92: the reference to ‘infringement’ in section 92(5) was to civil infringement; the interpretation section (section 104) defined ‘infringement’ by reference to sections 9(1)–(2) and 10 concerning civil infringement. While section 104 did not expressly mention the defences in section 11 and 12, it would be ‘nonsense’ for section 92(5) to provide a defence when a defendant had a reasonable belief that there was no civil infringement, when the absence of civil infringement would be no defence.<sup>39</sup> Further, if the defences under sections 11 and 12 were not available to a defendant under section 92, then there would be an inconsistency with the EU Directive<sup>40</sup> that seeks to harmonise ‘substantive rules of central importance’ to trade mark law.<sup>41</sup> That cannot have been the intention of Parliament. However,

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<sup>37</sup> ‘Criminal Appeal Office Summary’, Appeal Papers (n 22), and *R v Johnstone*, CA [2]. There was also a fourth question: whether the penalties under section 92(6) (a maximum sentence of ten years’ imprisonment or an unlimited fine, or both) were compliant with the Treaty of Rome, Art 5. See text to n 75 below.

<sup>38</sup> *R v Johnstone*, CA, [46].

<sup>39</sup> *ibid.*

<sup>40</sup> *ibid* [53].

<sup>41</sup> *ibid*, citing C-355/96 *Silhouette International v Hartlauer* [1998] ECR I-4799 [23].

to avoid unnecessary complexity for juries, the prosecution would not be obliged to prove civil infringement in every case; rather it was for the defendant to set out in his Defence Statement the civil law provisions upon which he relied, and the onus would be on the Crown to disprove that case.<sup>42</sup>

Accordingly, the Court of Appeal held that Johnstone should have been free to run the arguments set out in his Defence Statement: that the use of the sign was not trade mark use and not civil infringement under section 11(2)(b).<sup>43</sup> Though the Court had doubts as to whether these defences would succeed in most cases of bootlegging,<sup>44</sup> his conviction was unsafe and was overturned. However, as Johnstone had served his prison sentence, a retrial was not ordered.

#### D The Appeal to the House of Lords

The prosecutions then appealed to the House of Lords. The question before the Lords was, as expressed by Lord Nicholls, ‘whether it is a defence to a criminal charge under section 92 ... that the defendant’s acts do not amount to a civil infringement of a trade mark’ per Lord Nicholls;<sup>45</sup> or, as stated by Lord Walker, ‘whether a person can be convicted of an offence under section 92 for acts which do not amount to civil infringement of a registered trade mark’.<sup>46</sup> Counsel for the prosecution reiterated the argument put forward in the courts below: section 92 was a self-contained provision; all the ingredients of the offence appeared on the face of the section. In particular, Parliament cannot have intended civil infringement to be introduced into the criminal courts because offences needed to be simple so jurors, lay magistrates and local trading standard authorities could understand them.<sup>47</sup>

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<sup>42</sup> *ibid* [48].

<sup>43</sup> *ibid* [68].

<sup>44</sup> *ibid* [35] and [48] point (b).

<sup>45</sup> *R v Johnstone*, HL, [25], per Lord Nicholls.

<sup>46</sup> *ibid* [61], per Lord Walker.

<sup>47</sup> *ibid* [25].

The House of Lords, like the Court of Appeal below, accepted Johnstone's arguments. However, the nature of the relation between criminal and civil law was differently stated; Lord Nicholls, who delivered a judgment with which all the other Lords agreed,<sup>48</sup> characterised the House of Lords approach as involving 'a more confined process of interpretation' than that of the Court of Appeal.<sup>49</sup> On the one hand, the House of Lords accepted that 'the ingredients of the offences created by section 92 are to be found within the section itself'.<sup>50</sup> As Lord Walker explained, in his concurring judgment, this approach was supported by the difference in language between section 92 and the civil infringement sections 9–11 (for example, section 92 refers to 'likely to be mistaken' instead of 'likelihood of confusion' and 'in the course of a business' rather than 'in the course of trade'). Lord Walker argued that this indicated:

Parliament's natural anxiety to frame the offence-creating provisions of the 1994 Act so as to be as self-contained and simple a code as possible. Prosecutions under section 92 are heard either in the magistrates' court or in the Crown Court and would be burdensome if lay magistrates and juries regularly had to go into the intricacies of the law of civil infringement.<sup>51</sup>

However, notwithstanding this, the words 'without the consent of the [trade mark] proprietor' in section 92 denoted that the conduct to be criminalised was conduct to which the proprietor could object. Therefore, implicit in section 92 was the requirement that the defendant's use be 'use as a trade mark'. As Lord Nicholls explained:

Parliament cannot have intended to criminalise conduct which could lawfully be done without the proprietor's consent ... That would be to extend, by means of a criminal sanction, the scope of the rights of the proprietor.<sup>52</sup>

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<sup>48</sup> This included Lord Walker, who delivered a concurring judgment: *R v Johnstone*, HL, [88]. The other Lords were: Lord Hope, Lord Hutton and Lord Rodger.

<sup>49</sup> *ibid* [33].

<sup>50</sup> *ibid*, HL [26].

<sup>51</sup> *ibid* [73].

<sup>52</sup> *ibid* [28].

A number of points supported this interpretation. First, the wording of section 92(5); 'it would make no sense for reasonable belief in non-infringement to be a defence, if infringement was irrelevant so far as the criminal offences are concerned'.<sup>53</sup> Further, the 1994 Act was to be interpreted, so far as possible, to accord with the harmonising objectives of the EU Trade Mark Directive.<sup>54</sup>

The result in *R v Johnstone*, therefore, is that notwithstanding the intention to make the criminal offences simple for juries, lay magistrates and trading standards, that civil trade mark concepts are relevant to the criminal offences in section 92; the House of Lords rejected the Crown Court approach at first instance that treated section 92 as a completely self-contained provision. At first glance, the relevance of civil trade mark concepts to section 92 might seem unremarkable. There are a number of considerations in the case of the Trade Marks Act 1994, that clearly point to this conclusion: the EU harmonisation of the civil trade mark law and the wording of section 92(5).<sup>55</sup> Indeed, as Andreas Rahmatian argued in his *Modern Law Review* article, perhaps the noteworthy aspect of *Johnstone* is rather that the Lords did not advocate an even closer relation between civil and criminal law, such that the civil law of infringement more generally was a necessary part of section 92.<sup>56</sup> With these questions in mind, the next section addresses how the relationship between civil and criminal law in *Johnstone* is to be explained, and it does so by first considering the more general position of intellectual property offences in the categories of the criminal law.

### 3 Explaining *R v Johnstone*

#### A Intellectual Property Offences and the Criminal Law

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<sup>53</sup> *ibid* [29].

<sup>54</sup> *ibid* [31], referring to Council Directive 89/104/EEC of 21 December 1988.

<sup>55</sup> See text to nn 53 and 54.

<sup>56</sup> Rahmatian, 'Trade Mark Infringement as a Criminal Offence' (n 18) 675–76.

What is the position of intellectual property offences within the criminal law? On the one hand, Court of Appeal authorities on sentencing have characterised criminal offences in intellectual property statutes as serious crimes involving dishonesty, analogous to theft. In *R v Carter*, the Court of Appeal heard an appeal against a sentence imposed by a Crown Court for nine months' imprisonment, suspended for two years, to run concurrently on two counts, in respect of offences of making and distributing infringing copies of videotapes contrary to section 107 Copyright Designs and Patents Act 1988. The defendant had pleaded guilty and had no relevant previous convictions. The Court of Appeal refused to interfere with the sentence imposed by the Crown Court, Jowitt J remarking that:

it has to be borne in mind that the counterfeiting of video films is a serious offence. In effect, to make and distribute pirate copies of films is to steal from the true owner of the copyright ... It is an offence really of dishonesty.<sup>57</sup>

Similar comments were made in *R v Adam Ahmed Bhad*, an appeal over sentencing under section 92 Trade Marks Act 1994. While the Court of Appeal doubted whether 'the custody threshold was in truth crossed' in the case of the activities in question (an 'isolated lapse' of an otherwise 'honest business' which was a 'small scale operation'), Bingham CJ nevertheless described section 92 as follows:

The owners of trade marks have a commercial asset which is entitled to legal protection. Deliberately using someone else's trade mark is in effect to steal their commercial goodwill. This is properly a criminal offence and a penalty must follow on conviction.<sup>58</sup>

On the other hand, in case law on the elements of the offence, the courts have treated intellectual property offences as regulatory offences, that is, statutory offences regulating an activity in the public interest and 'not truly criminal' in nature.<sup>59</sup> For example, a well-established principle of criminal law is

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<sup>57</sup> *R v Carter* [1993] FSR 303, 304 (CA).

<sup>58</sup> *R v Adam Ahmed Bhad* (1999) Cr App R (s) 139, 142.

<sup>59</sup> *R v Lambert* [2001] UKHL 37, [154] per Lord Clyde. Lord Clyde gave as an 'obvious example' of regulatory provisions, offences requiring a licence to carry out an activity. He considered the 'promotion of health and safety and the avoidance of pollution' as 'among the purposes of such controls'.

that the courts should apply a presumption of *mens rea* in interpreting a statutory provision creating a criminal offence. As Lord Reid explained in the House of Lords ruling in *Sweet v Parsley*:

whenever a section is silent as to *mens rea* there is a presumption that, in order to give effect to the will of Parliament, we must read in words appropriate to require *mens rea*.<sup>60</sup>

Whereas the presumption is ‘particularly strong’ for offences that are ‘truly criminal’ in character,<sup>61</sup> it can be displaced for offences concerning ‘quasi-criminal acts’.<sup>62</sup> In *R v Keane*, it was argued that the presumption of *mens rea* should apply to section 92(1); rejecting this argument, the Court of Appeal stated obiter that section 92 falls within the ‘quasi-criminal’ or regulatory category (though clearly stating that it did not wish to decide the issue).<sup>63</sup> In a subsequent case, *R v S*, it was argued that the statutory defence in section 92(5), in providing a *mens rea* element, was an ‘essential element’ of the offence under section 92 (such that placing a legal burden of proof on the defendant to prove the elements of 92(5) would conflict with the presumption of innocence under Art 6(2) of the European Convention on Human Rights).<sup>64</sup> Rejecting this argument, the Court of Appeal held that ‘dishonesty ... is not the gravamen of the offence’ under section 92.<sup>65</sup> Rather, as Davis J explained, in a judgment with which the other members of the Court of Appeal agreed:

Section 92 is a regulatory provision and the strong policy behind the 1994 Act, and mischief at which it is aimed, support the view that the use of such technique in this context is neither unprincipled or arbitrary: the

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<sup>60</sup> *Sweet v Parsley* [1970] AC 132 (HL), 148.

<sup>61</sup> In *Gammon v Attorney General of Hong Kong*, [1985] AC 1, 12, the Privy Council held that the presumption of *mens rea* is ‘particularly strong where the offence is “truly criminal” in character’, and that the ‘only situation’ in which the presumption could be displaced is where a statute concerned an ‘issue of social concern’ (eg public safety) and ‘greater vigilance to prevent the commission of the prohibited act’ would result.

<sup>62</sup> *Sweet v Parsley* [1970] AC 132, 149–50, per Lord Reid.

<sup>63</sup> *R v Keane* [2001] FSR 7 [28], per Mance LJ.

<sup>64</sup> *R v S* [2002] EWCA Crim 2258, [22].

<sup>65</sup> *ibid* [30].

unauthorised use of trade marks is the target of the legislation and the substance of the offence.<sup>66</sup>

The classification of section 92 as ‘regulatory’ was also one factor which the Court of Appeal in *R v S* considered to justify the defendant bearing the legal burden of proof under section 92(5),<sup>67</sup> and this reasoning was expressly endorsed by Lord Nicholls in *Johnstone*.<sup>68</sup> As Lord Nicholls acknowledged, referring to the much cited dicta of Auld LJ in *Torbay Council v Satnam Singh*, ‘the offences in section 92 have rightly been described as offences of “near absolute liability”.’<sup>69</sup> Justifying the regulatory classification is the ‘very considerable public importance in preventing the trade in counterfeit goods’.<sup>70</sup> In *R v S*, Davis J explained this ‘public interest’ as follows: the result of fewer prosecutions would be that:

the interests of the economy, of innocent consumers and of legitimate businesses would suffer ... the DTI in December 2001 estimated that counterfeiting or IP crime generally was estimated to cost the UK economy some £9 billion per year and was responsible for prospective job losses in legitimate businesses of over 4,000 people. There is a very strong public interest in seeking to limit or prevent such an eventuality.<sup>71</sup>

The case law on the elements of the offence, sits uneasily with the Court of Appeal dicta on sentencing in *R v Carter* and *R v Adam Ahmed Bhad*; while the courts may legitimately impose tougher sentences for offences of strict liability

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<sup>66</sup> *ibid* [34].

<sup>67</sup> *ibid* [48] point (4).

<sup>68</sup> *R v Johnstone*, HL, [54].

<sup>69</sup> *ibid* [52], referring to dicta of Auld LJ in *Torbay Council v Satnam Singh*, 2000 FSR 158, 161: ‘At a first sight, this near absolute liability may seem harsh, especially when it is noted from section 92(6)(b) of the Act that the offence carries a maximum penalty on indictment of an unlimited fine or imprisonment up to 10 years or both. However, if the regime introduced by the Act is to operate as an effective protection both to registered proprietors of trade marks and consumers, it cannot sensibly depend on proof in every case of the trader’s knowledge of the existence of the registration ... or on his rebuttal of the assertion that he was unaware of the registration or its detail’. This dicta has been approved in *R v Keane* [2001] FSR 7, [24] per Mance LJ and *R v S* [2002] EWCA Crim. 2558, [17] per Davis J.

<sup>70</sup> *R v Rachel McCrudden* 2005 EWCA 466, [10]: ‘It seems to us that the provisions contained in section 92 have been devised to constitute a rigorous statutory code involving offences initially of strict liability, for the plain policy reason that there is very considerable public importance in preventing the trade in counterfeit goods’.

<sup>71</sup> *R v S*, [48] point 7.



where there is evidence that the defendant had knowledge,<sup>72</sup> the Court of Appeal dicta on sentencing places weight on aspects that are not formally part of the offence.<sup>73</sup> How can the tension implicit in these characterisations of intellectual property offences be explained? On one level this reflects the lack of coherence of criminal law categories more generally. As criminal law scholarship has shown, the distinction between strict liability and fault liability, 'from a legal point of view', is 'fraught with difficulty'; there has been a 'failure' on the part of the courts to provide a clear legal criteria for the distinction between these two categories of offences, with the result that judges 'fall back into specific judgments about the rights and wrongs in individual cases'.<sup>74</sup>

Further, as the Court of Appeal judgment in *Johnstone* notes, the activities caught by section 92 occupy a broad ground:

The seriousness of trade mark infringement occupies a spectrum running from the comparatively trivial to the very serious ... Counterfeiting is certainly a potentially serious offence, there being large sums of money to be dishonestly made by the deliberate counterfeiter.

As Tuckey LJ continued, at the 'top end', the activities caught by section 92 constitute a 'serious offence of dishonesty', for which the maximum penalties of ten years and/or an unlimited fine are appropriate.<sup>75</sup> Yet, at the same time, section 92 also encompasses more trivial acts not involving dishonesty, which are criminalised in the public interest, on a regulatory rationale. Hence, in *R v S* the Court of Appeal noted that 'the reality' of sentencing under section 92, is that

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<sup>72</sup> *R v Lester* (1975) 73 Cr App R 144, discussed in J Roberts, N Padfield, L Harris, *Current Sentencing Practice* (London, Sweet and Maxwell, 2016) L2-2B01.

<sup>73</sup> I am grateful to James Chalmers for discussion on this point.

<sup>74</sup> A Norrie, *Crime Reason and History: A Critical Introduction to Criminal Law*, 3rd edn (Cambridge, Cambridge University Press, 2014) 103–04. See also G Williams, *Textbook of Criminal Law*, 2nd edn (London, Stevens & Sons, 1983) 934: 'In general, the authorities on strict liability are so conflicting that it is impossible to abstract any coherent principle on when this form of liability arises and when it does not. A particular proposition affirming strict liability can almost always be matched by its contradictory affirming fault liability' cited in Norrie, *Crime Reason and History* 102.

<sup>75</sup> *R v Johnstone*, HL, [58]–[59]. These comments were made by the Court of Appeal, in rejecting the argument that the long maximum penalties (a maximum of ten years' imprisonment and/or an unlimited fine) were disproportionate, and therefore incompatible with Article 5 Treaty of Rome. Article 5 Treaty of Rome requires penalties to be 'effective, proportionate and dissuasive'. As the Court of Appeal noted in *Johnstone*, the maximum punishment of ten years' imprisonment and/or an unlimited fine is on a par with offences under the Theft Act 1968 (obtaining property by deception, section 15) and the offence of forgery (under section 6 Forgery and Counterfeiting Act 1981): see *R v Johnstone*, CA, [58].

‘most cases under section 92 are brought in the magistrates’ court and, of those, the majority result (in the case of conviction) in a fine’. In that case the prosecution, without challenge from defence counsel, cited figures that fewer than ten per cent of convictions in the Crown Court or magistrates’ court (in the period 1998–2000) resulted in an immediate custodial sentences’.<sup>76</sup> In this way, while the Court of Appeal in case law on sentencing has characterised section 92 as a serious offence involving dishonesty, case law on liability instead draws on the ‘reality’ of sentencing in the lower courts; in case law on liability, the ‘reality’ of sentencing is a means of justifying the regulatory classification and distinguishing section 92 from other offences where the availability of long maximum penalties has instead supported the rejection of a regulatory classification.<sup>77</sup> The broad range of activity regulated by intellectual property crime, then, in combination with the lack of clarity about criminal law categories, results in contradictory characterisations by the criminal law.

### *B R v Johnstone and the Relation between Civil and Criminal Law*

How does uncovering the position of intellectual property offences in the wider criminal law improve our understanding of the House of Lords ruling in *Johnstone*? First, it helps us to understand the question that perplexed Rahmatian in his *Modern Law Review* article: why the House of Lords did not advocate a yet closer relation between criminal and civil law, such that the civil law of infringement is part of the offence in section 92.<sup>78</sup> Rahmatian addressed one explanation for the Lords’ —the need for juries and lay magistrates to understand section 92—and rightly noted that this was not convincing on its own; juries and lay magistrates are often confronted with complex areas of

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<sup>76</sup> *R v S*, [48].

<sup>77</sup> *ibid.* Referring to offences under the Misuse of Drugs Act 1971 considered in *R v Lambert* [2001] UKHL 37.

<sup>78</sup> Rahmatian, *Trade Mark Infringement as a Criminal Offence* (n 18) 676: ‘there does not seem to be a convincing reason why an artificially independent building of criminal law has to be erected adjacent to the civil law edifice’.

criminal law.<sup>79</sup> The analysis in the last section perhaps provides a more convincing answer to Rahmatian's question: the 'strong public interest' to be served in facilitating efficient prosecutions by trading standards departments, essential to counter the economic cost of piracy and counterfeiting. These concerns appear prominently in the judgments in *Johnstone*; the judgments of both Lord Nicholls and Lord Walker open by drawing attention to the high economic cost of 'piracy and counterfeiting', accounting for between five and seven per cent of world trade and costing the UK some £9 billion per year,<sup>80</sup> and Lord Nicholls expressly mentioned the need for an approach that does not cause 'practical difficulties for weights and measures authorities'.<sup>81</sup> In this way, the context for the Lords' interpretation of section 92 included the very public interest concerns that have supported its treatment as a regulatory offence, and in turn justifies an approach that treats section 92 as a 'rigorous statutory code' that is simple in application.<sup>82</sup>

The position of intellectual property offences within criminal law categories also helps explain why the Lords did not pursue analogies between section 92 and the law of theft. The appeal papers held at the Parliamentary Archives reveal that counsel for the prosecution contended that the independence of the criminal offences in section 92 from the civil law of trade marks was supported by analogising intellectual property crime to theft.<sup>83</sup> In *R v Hinks*, the House of Lords held that the crime of theft (set out in section 1, Theft Act 1968) encompassed conduct which was not actionable under civil law;<sup>84</sup> the majority held that a defendant could 'appropriate' property for the purposes of theft, even though good title had been acquired by the defendant under civil law

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<sup>79</sup> *ibid* 677.

<sup>80</sup> *R v Johnstone*, HL, [1], [59].

<sup>81</sup> *ibid* [32] per Lord Nicholls.

<sup>82</sup> *R v Rachel McCrudden*, [10], quoted above n 72.

<sup>83</sup> 'Case for the Appellant', Appeal Papers (n 22), para 7.12.

<sup>84</sup> *R v Hinks* [2001] 2 AC 241.

(in the case in question, by way of gift). As Lord Steyn, delivering a judgment with which a majority of the Lords agreed, explained:

The purposes of the civil law and the criminal law are somewhat different. In theory the two systems should be in perfect harmony. In a practical world there will sometimes be disharmony between the two systems. In any event, it would be wrong to assume on a priori grounds that the criminal law rather than the civil law is defective<sup>85</sup>

On this basis, Lord Steyn concluded that the ‘tension between civil and criminal law’ was ‘not a factor which justified a departure’ from existing criminal law case law.<sup>86</sup> Indeed, there was, in fact, a benefit to the independence of the criminal law from civil law concepts:

while in some contexts of the law of theft a judge cannot avoid explaining civil law concepts to a jury ... the decisions of the House of Lords eliminate the need for such explanations in respect of appropriation. That is a great advantage in an overly complex corner of the law.<sup>87</sup>

The ruling in *Hinks* has been much criticised by criminal law scholars for ‘the conflict it creates between the civil and criminal law’.<sup>88</sup> However, the analysis in the previous section suggests that the decision not to follow that approach in the case of intellectual property offences is best explained by the differences between these offences and theft; while case law on sentencing might invoke comparisons with theft, as regards the elements of the action, section 92 is treated as regulatory in nature and not like theft at all. Indeed, in *Hinks*, Lord Steyn was complacent about the tension between the civil and criminal law precisely because ‘the mental requirements of theft are an adequate protection against injustice’;<sup>89</sup> theft, then, unlike intellectual property crime, is an offence

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<sup>85</sup> *ibid* 252.

<sup>86</sup> *ibid*, referring to the rulings in *R v Gomez* [1993] AC 442 and *R v Lawrence* [1972] AC 626.

<sup>87</sup> *ibid* 253.

<sup>88</sup> JC Smith, ‘Case comment: *R v Hinks*’ (2001) *Criminal Law Review*, 162, 165: ‘The most serious aspect of the present decision is the conflict it creates between the civil and the criminal law. It is surely intolerable that the performance of a perfectly valid contract should be a crime’. See also, R Stevens, ‘Private Rights and Public Wrongs’ in M Dyson *Unravelling Tort and Crime* (Cambridge, Cambridge University Press, 2014) 124–25.

<sup>89</sup> *R v Hinks*, 253.

where dishonesty is ‘the gravamen’ of the offence’.<sup>90</sup> In this context, *Johnstone* can be seen as a landmark in the disassociation of the elements of intellectual property offences from the theft paradigm.

#### 4 Criminalisation and the Making of Modern Trade Marks Law

##### *A From Johnstone to Historical Antecedents*

In the last section, I drew attention to less considered aspects of *Johnstone* regarding the relation between civil and criminal law, and the position of intellectual property crime more generally within criminal law frameworks. In this section, I turn to historical antecedents that help us to reflect further on these observations. In so doing, I draw attention to the historical contingency of the assumption that the criminal law is peripheral to trade mark law; as Andreas Rahmatian observed in the opening of his *Modern Law Review* article, ‘the criminal liability which may result from the infringement of a registered trade mark’ is ‘usually only briefly discussed’; the criminal law is viewed as a ‘quite different’ discipline.<sup>91</sup> In fact, as this section explains, the first UK statute to protect trade marks generally, without limitation to subject matter, was a criminal law measure: the Merchandise Marks Act 1862. After illustrating the contribution of the criminal law of forgery to the shape of the 1862 Act (see part B below), I explain how processes of criminalisation, in presupposing that there was an existing legal right to be criminalised, also played an important role in the creation of the concept of a civil law of trade marks (see part C below). This Part also discusses a fundamental tension at the root of the 1862 Act, that ultimately led to its demise: the conflict between the forgery paradigm (in particular, its requirement of dishonesty) and the objective of facilitating efficient prosecutions (see part D below). This observation lays the groundwork for the conclusion of the chapter (section V); bringing the analysis back to *Johnstone*, I show how the

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<sup>90</sup> The phrase used by the Court of Appeal in *R v S*, [30], quoted at text to n 65.

<sup>91</sup> Rahmatian, ‘Trade Mark Infringement as a Criminal Offence’ (n 18), 670, referring to leading treatises and textbooks on intellectual property law.

experience from a very different time and context helps us to focus on more deep-rooted tensions in intellectual property crime today and its ambivalent relation to ‘real’ crime.

## B The Merchandise Marks Act 1862 and Forgery

By way of background, as Brad Sherman and Lionel Bently have shown, trade mark law emerged as a ‘discrete and recognised area of law’ over the course of the second half of the nineteenth century. As of the middle part of the nineteenth century, the law was ‘dilatatory and chaotic’,<sup>92</sup> comprising statutory protection for trade marks for specific trades (eg cutlery wares in Hallamshire, linen, the hops trade and gun barrels),<sup>93</sup> as well as protection through civil actions for deceit and the general criminal law (eg cheat<sup>94</sup> or obtaining property by false pretences<sup>95</sup>). Viewed in this context, the Merchandise Marks Act 1862 was an important development, providing statutory protection for the first time for trade marks broadly defined. As section 1 stated:

‘Trade Mark’ shall include any and every such Name, Signature, Word, letter, Device, Emblem, Figure, Sign, Seal, Stamp, Diagram, Label, Ticket, or other Mark as aforesaid lawfully used by any Person to denote any Chattel or (in Scotland) any Article of Trade, Manufacture, or Merchandise, to be in an Article or Thing of the Manufacture, Workmanship, Production or Merchandise of such Person or to be an Article or Thing of any peculiar or particular Description made or sold by such Person.

The purpose of the legislation, as Milner Gibson MP (the President of the Board of Trade) explained to the House of Commons, was to address the problem of ‘forged Trade Marks’.<sup>96</sup> The Act criminalised inter alia, with ‘intent to defraud, or to enable another to defraud any Person’, the forging or counterfeiting of any

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<sup>92</sup> B Sherman and L Bently, *The Making of Modern Intellectual Property Law: The British Experience, 1760–1911* (Cambridge, Cambridge University Press, 2008) 167.

<sup>93</sup> A summary of these legislative enactments can be found in L Bently, ‘The Making of Modern Trade Mark Law: The Construction of the Legal Concept of Trade Mark (1860–1880)’ in L Bently, J Davis and Jane C Ginsburg, *Trade Marks and Brands: An Interdisciplinary Critique* (Cambridge, Cambridge University Press, 2011) 5–7.

<sup>94</sup> *R v Closs* (1858) 169 ER 1082, Dears & B 460.

<sup>95</sup> *R v Dundas* (1853) Cox Crim Cas 30; *R v Suter & Coulson* (1867) 10 Cox Crim Cas 577.

<sup>96</sup> Parl Deb. 3rd S Vol. 164 col 1089 (18 July 1861).

trade mark or the application of a forged or counterfeited trade mark (or the causing or procuring of such forging or counterfeiting, or application) to any chattel/article not being the ‘Manufacture, Workmanship, Production or Merchandise’ of any person whose trade mark shall be so forged or counterfeited.<sup>97</sup>

Existing literature has considered a number of aspects of the nature of the protection provided by the Merchandise Marks Act. Lionel Bently has described the Act’s protection for trade marks as a ‘communication-based wrong’—deriving from an intention to deceive—rather than premised on trade marks as property.<sup>98</sup> Further, Brad Sherman and Lionel Bently have noted that the perception that trade mark law was ‘more concerned with regulating fraud than property’ resulted in the exclusion of trade marks from the category of ‘intellectual property’ that was taking shape in the mid-nineteenth century.<sup>99</sup> In this section, I instead consider the implications of the particular criminal law paradigm—forgery—for the elements of the action under the 1862 Act.

The history of forgery in the eighteenth and early nineteenth centuries has been explored in detail elsewhere. During the eighteenth century, there was a huge expansion in forgery legislation; among other things, this made forgery of a wide variety of documents relating to public and private finance a capital felony.<sup>100</sup> As Phil Handler has shown, forgery assumed ‘critical importance’ in nineteenth-century debates that led to penal reform in the 1830s, removing capital punishment for over 200 crimes comprising the ‘Bloody Code’ that had

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<sup>97</sup> Merchandise Marks Act 1862, s 2.

<sup>98</sup> L Bently, ‘From Communication to Thing: Historical Aspects to the Conceptualisation of Trade Marks as Property’ in GB Dinwoodie and MD Janis (eds) *Trademark Law and Theory: A Handbook on Contemporary Research* (Cheltenham, Edward Elgar, 2008) section II(A).

<sup>99</sup> Sherman and Bently, *The Making of Modern Intellectual Property Law* (n 92) 172.

<sup>100</sup> Lindsay Farmer refers to forgery as the ‘quintessential crime’ of the eighteenth century. See L Farmer, *Making the Modern Criminal Law: Criminalization and Civil Order* (Oxford, Oxford University Press, 2016) 69. See also R McGowen, ‘Making the ‘Bloody Code’? Forgery Legislation in Eighteenth-Century England’ in N Landau, *Law, Crime and English Society: 1660–1830* (Cambridge, Cambridge University Press, 2002) 117–38, explaining the increase in forgery legislation in the eighteenth century by the need to secure a financial system that sustained a nation at war.

been passed in the eighteenth century.<sup>101</sup> By the mid-nineteenth century, forgery spanned a broad range of offences: while the offence at common law was a misdemeanour, there was also a complex web of statutory offences, some of which were felonies. Many of these were codified by the Forgery Act 1861.<sup>102</sup> Forgery was not defined by statute; as James Fitzjames Stephen noted, writing later in the century, the Forgery Act 1861 merely enumerated the types of document that could be forged.<sup>103</sup> The essential characteristics of these offences were instead understood to stem from the offence's definition at common law: 'the fraudulent making or alteration of a writing to the prejudice of another man's right';<sup>104</sup> as a leading criminal law treatise—William Oldnall Russell's *A Treatise on Crimes and Misdemeanors*—stated: 'the counterfeiting of any writing with a fraudulent intent, whereby another may be prejudiced, is forgery at common law'.<sup>105</sup>

How did the 1862 Act relate to these pre-existing criminal law offences? On one level, the 1862 Act can be seen as a legislative response to court rulings in the late 1850s, on the ambit of existing common law offences. In *R v Smith*,<sup>106</sup> the Court of Crown Cases Reserved quashed a defendant's conviction for common law forgery, by procuring the printing of 10,000 wrappers that were similar to the wrappers under which the prosecutor sold his product: powders called 'Borwick's Baking Powders' and 'Borwick's Egg Powders'. Rejecting the argument by Counsel for the plaintiff, that the false wrapper was analogous to a

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<sup>101</sup> P Handler, 'Forging the Agenda: The 1819 Select Committee on Criminal Laws Revisited' (2004) 25 *Journal of Legal History* 3, 249–68, 262.

<sup>102</sup> 24&25 Vict. See generally, WM Oldnall Russell and CS Greaves, *A Treatise on Crimes and Misdemeanors*, 4th edn (London, Stevens & Sons, 1865) Vol 2, Ch 33. As Stephen noted, the intention behind the 1861 Act was to codify all existing forgery legislation, but it in fact left a number pre-existing enactments unrepealed: JF Stephen, *The History of the Criminal Law of England* (London, Macmillan & Co, 1883) Vol 3, 184–85.

<sup>103</sup> Stephen, *A History of the Criminal Law* (ibid) Vol 3, 184.

<sup>104</sup> Quoted in the edition of a leading criminal law treatise current at the time of the debates on the 1862 Act: WO Russell and CS Greaves, *A Treatise on Crimes in Misdemeanors*, 3rd edn (London, Saunder and Benning, 1843) 318, quoting Blackstone's *Commentaries* Vol 4, 247.

<sup>105</sup> Russell and Greaves, *A Treatise on Crimes in Misdemeanors* (n 104) 358.

<sup>106</sup> *R v John Smith* (1858) 169 ER 1122; Dears & B 566.



'false certificate',<sup>107</sup> the Court held that the 'real offence' was the 'issuing them with the fraudulent matter in them'; merely printing the wrappers did not involve forgery. As Pollock CB concluded:

I doubt very much whether these papers are within that principle. They are merely wrappers, and in their present shape I doubt whether they are anything like a document or instrument which is the subject of forgery at common law.<sup>108</sup>

While the printing of wrappers bearing the mark of another was not forgery, the Court in *Smith* made clear that the defendant might have committed the offence of obtaining money by false pretences.<sup>109</sup> Further, the ruling in *R v Closs*, suggested that such conduct might also be actionable as a common law cheat; common law cheat encompassed 'frauds which affect ... the public at large' and this included the use of 'false tokens' with 'the semblance of public authenticity'.<sup>110</sup> In *Closs*, Cockburn CJ held *obiter* that:

if a person, in the course of his trade openly and publicly carried on, were to put a false mark or token upon an article, so as to pass it off as a genuine one when in fact it was only a spurious one, and the article was sold and money obtained by means of that false mark or token, that would be a cheat at common law<sup>111</sup>

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<sup>107</sup> *ibid* 572. Relying on cases about certificates in *R v Toshack* (1849) 169 ER 341, 1 Den 492. *R v Sharman* (1854) 169 ER 729; Dearsly 285, counsel argued that: 'The certificates in the cases of *Toshack* and *Sharman* certified that a man had done certain things. Here the wrapper is in effect a certificate that Borwick had put his powder in the packet'.

<sup>108</sup> *R v John Smith*, 573–74. See also Willes J: 'I am entirely of the same opinion ... The fraud consists in putting inside the wrappers powder which is not genuine and selling that' (at 574). Byles J: 'Here there was no counterfeit. The offence lies in the use of the wrapper' (at 575). Bramwell B: 'Forgery supposes the possibility of a genuine document ... The prisoner may have committed a gross fraud in using the wrappers for that which was not the genuine powder, and may possibly be indicted for obtaining money by false pretences, but I think he cannot be convicted of forgery' (at 575).

<sup>109</sup> *ibid* 573, per Pollock CB: 'The defendant may have been guilty of obtaining money by false pretences; of that there can be no doubt...' See also Willes J at 574, Bramwell B and Channell B at 575. For examples of successful prosecutions see: *R v Dundas* (1853) Cox Crim Cas 30; *R v Suter & Coulson* (1867) 10 Cox Crim Cas 577.

<sup>110</sup> Russell and Greaves, *A Treatise on Crimes in Misdemeanors* (n 104) 279.

<sup>111</sup> *R v Closs* (1858) 169 ER 1082; Dearsly and Bell 460, 466. *Closs* concerned the unauthorised imitation of a signature on a painting, but Cockburn CJ (at 467) also gave the following example: 'if a man sold a gun with the mark of a particular manufacturer upon it, so as to make it appear like the genuine production of the manufacturer, that would be a false mark or token, and the party would be guilty of a cheat, and therefore liable to punishment'. A judgment was also delivered by Crompton J; while he supported Cockburn CJ's opinion he expressly did not wish to 'pledge' himself 'as to the nature of the false token, which would amount to a cheat at common law' (at 467).

Notwithstanding this case law, both cheat and false pretences required the prosecution to prove causation between the false pretence or false token and the fraudulent obtaining of money. This sometimes caused problems for prosecutors,<sup>112</sup> as the parliamentary debates on the Bill acknowledged.<sup>113</sup> Forgery, then, overcame these problems of proof in so far as the offence was complete when the mark was forged, regardless of whether it was applied to goods<sup>114</sup> (though, as we see below, it raised different problems).<sup>115</sup>

The forgery paradigm upon which the 1862 Act was based, however, was more than just a legislative reversal of the approach at common law; it was also intended to indicate that trade mark offences were a serious crime. This is apparent from the particular analogy drawn in the legislative debates on the 1862 Act: trade mark forgery was compared to the forgery of a ‘check on a bank’<sup>116</sup> or a ‘bill of exchange’.<sup>117</sup> This comparison was a statement about the serious nature of the criminality involved; the forgery of cheques or bills of exchange was a felony punishable by penal servitude for life.<sup>118</sup> As an article from *The Jurist* explained, comparing forgery of a trade mark to forgery of a bill of exchange:

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<sup>112</sup> In *R v Closs*, this was the reason for the jury’s ‘not guilty’ verdict on the count for false pretences: Thomas Closs, 2 November 1857, *Proceedings of the Central Criminal Court* 864 [1109], available at [www.oldbaileyonline.org](http://www.oldbaileyonline.org). The prosecution for cheat failed because the indictment was not correctly framed: *R v Closs*, 467.

<sup>113</sup> Parl Deb 3rd S Vol 167 col 1419 (4 July 1862), the Attorney General: ‘Its object was to avoid the necessity of having to adduce before a jury such evidence—which it was sometimes very difficult to get—as would satisfy them that the offence of cheating at common law had been committed’.

<sup>114</sup> On this point, see DM Kerly and FG Underhay, *The Law of Merchandise Marks and the Criminal Law of False Marking*, 3rd edn (London, Sweet & Maxwell, 1909) 18.

<sup>115</sup> See below, text to nn 145–55.

<sup>116</sup> Milner Gibson MP, in debating the Bill in the Committee of the House of Commons, asserted that the ‘forgery of a mark was like the forgery of a check on a bank’. Parl Deb 3rd S Vol 167 col 1419 (4 July 1862).

<sup>117</sup> ‘There is no real distinction between using the name of another in a bill of exchange with the intention to defraud and using the trade mark of another for a similar purpose ...’ *The Jurist*, 18.10.1862, 471. Arthur Ryland, a solicitor and prominent member of the Birmingham Chamber of Commerce, in a paper presented to the National Association of the Promotion of Social Science asserted that the unauthorised use of ‘names’ was analogous to ‘the writing of another’s name to a bill of exchange and obtaining money for it’. A Ryland, ‘The Fraudulent Imitation of Trade Marks’ in (1859) *Transactions of the National Association for the Promotion of Social Science*, 229.

<sup>118</sup> JB Byles, *A Treatise on the Law of Bills of Exchange, Promissory Notes, Bank-notes and Checks*, 9th edn (London, H Sweet, 1866) citing Forgery Act 1861, 24 & 25 Vict, s .22. See also Russell, *A Treatise on Crimes and Misdemeanors* (n 102) 940–41.

if there is any distinction it is merely one of degree—both offences come under the same category—they are both forgeries; and if one offence is to be punished with less severity than the other, it is not because the criminality is less in the one case than the other but because the result of the one kind of forgery are more mischievous to society than the other.<sup>119</sup>

What did the forgery paradigm mean for the shape of the 1862 Act? First, the forgery basis was one justification for the rejection of registration.<sup>120</sup> As Milner Gibson MP explained:

The forgery of a mark was like the forgery of a check on a bank. If an intent to defraud him was proved, a man was entitled to protection, without being put to the expense of registration.<sup>121</sup>

In taking this stance, the Government measure was at odds with the proposals of many local Chambers of Commerce: a number of local Chambers of Commerce had proposed registration, in petitions presented to Parliament,<sup>122</sup> and a Bill including registration prepared by the Sheffield Chamber was presented to Parliament.<sup>123</sup>

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<sup>119</sup> *The Jurist*, 18 October 1862, 471.

<sup>120</sup> This was not the only explanation; another was complexity and expense. See, for example, the comments of the Lord Chancellor (Lord Campbell) on the Bill's second reading on the same subject debated in 1861: *Parl Deb 3rd S Vol 161 col 1271* (4 March 1861).

<sup>121</sup> *Parl Deb 3rd S Vol 167 col 1419* (4 July 1862).

<sup>122</sup> See the Wolverhampton Chamber of Commerce's petition, App 816, Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 30 June–2 July 1862) and VC Beaumont, *Wolverhampton Chamber of Commerce 1856–1956* (1956), 48. See also the Sheffield Corporation's petition, App 411, Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 7–9 April 1862). See also the 'Report on Trade Marks' contained in Glasgow Chamber of Commerce Minutes, 11 February 1862 (Glasgow City Archives, Glasgow, UK). See also the National Association for the Promotion of Social Science's petition, App 83, Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 24–25 February 1862). See also the Birmingham and Midland District Chamber of Commerce's petition, App 360 Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 21–22 March 1861) and *Chronicles of the Birmingham Commercial Social and Chamber of Commerce A.D. 1783–1913* (1913) 174. See also Association of Chambers of Commerce Standing Committee Minutes (22 March 1862) and Association of Chambers of Commerce Executive Council Minutes (2 February 1860), London Metropolitan Archives, London.

<sup>123</sup> Trade Marks Bill PP 1862 Bill 17. A petition in favour of the Sheffield Bill was presented by the Wolverhampton Chamber of Commerce: App 816, Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 30 June 1862–2 July 1862). See also Wolverhampton Chamber of Commerce Minutes for 5 March 1861 (Wolverhampton Archives & Local Studies, Wolverhampton), recording a discussion between Sheffield and Wolverhampton Chambers on the subject of registration. The Sheffield Bill was also supported by the then recently formed Association of Chambers of Commerce, see Report of the Chairman to the Association of Chambers of Commerce, 19 February 1862 (London Metropolitan Archives, London). By contrast, the Huddersfield Chamber of Commerce supported the Government Bill, that became the Merchandise Marks Act 1862: see the Huddersfield Chamber of

Secondly, the forgery paradigm resulted in the criminalisation of a broad range of unauthorised acts relating to a trade mark. As I noted above, the crime of forgery was complete on the forging of the mark; there was no necessity for the mark to be used in trade or affixed to goods. Forgery also criminalised acts of ‘uttering’ which, in the case of private financial instruments, required the parting with, tendering, offering or use in order to receive credit.<sup>124</sup> Hence the provisions of the 1862 Act encompassed ‘whosoever shall forge or counterfeit, *or shall utter...*’.<sup>125</sup> While not discussed explicitly, the comparison with forgery of private finance instruments may have had implications for the scope of protection: the offence of forgery as applied to bills or cheques merely required the forged instrument to be ‘seemingly genuine’ such that ‘it was calculated to impose on mankind in general’ and would ‘deceive persons using ordinary observation’; there was ‘no need for perfect resemblance’ and it was not necessary that ‘an individual skilled in that kind of writing would detect its fallacy.’<sup>126</sup>

Finally, the forgery paradigm meant that there was only liability where the prosecutor proved dishonesty; as the chapter on forgery in Joseph Chitty’s treatise on *Bills of Exchange* stated: ‘intent to defraud’ was ‘the very essence of forgery’.<sup>127</sup> Indeed, forgery was classified as a *crimen falsi*: a crime that, due to the dishonesty involved, rendered an offender infamous, that is, deprived of certain ‘rights of a citizen’, such as serving on a jury.<sup>128</sup> We return to the requirement of ‘intent to defraud’ later.

## C Criminalisation and the Civil Law of Trade Marks

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Commerce’s petition, App 211, Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 17–19 March 1862).

<sup>124</sup> Byles, *A Treatise on the Law of Bills of Exchange* (n 118) 321.

<sup>125</sup> Merchandise Marks Act 1862, s 1, emphasis added.

<sup>126</sup> Byles, *A Treatise on the Law of Bills of Exchange* (n 118) 318–19.

<sup>127</sup> J Chitty and JW Hume, *Practical Treatise on Bills of Exchange, Checks on Bankers, Promissory Notes, Bankers’ Cash Notes and Bank Notes*, 9th edn (London), reprinted in the 12th American edition (Springfield, S&C Merriam, 1854) 864.

<sup>128</sup> Byles, *A Treatise on the Law of Bills of Exchange* (n 118) 317.

The criminal law, then, provided the paradigm for the nature of trade mark protection under the Merchandise Marks Act 1862, the first statute protecting trade marks generally. However, there was another contribution of criminal law frameworks to nineteenth century trade mark law: the 1862 Act's criminal law basis also had important implications for the development of the concept of a civil law of trade marks. Existing scholarship, as we have already seen, has referred to mid-nineteenth century trade mark law as 'dilatatory and chaotic', 'uncertain' and not 'coherent'.<sup>129</sup> Lionel Bently, in *The Making of Modern Trade Mark Law*, cites the evidence of the solicitor Joseph Travers Smith to the Select Committee preceding the 1862 Act's passage about the existing law's 'very considerable' problems:

trade marks are not recognised as having any legal validity or effect ... there is no written law and we have consequently no definition by which we can try what a trade mark is, nor consequently what particular symbol amounts to a trade mark.<sup>130</sup>

Yet, as we will now see, criminalisation involved presupposing order and coherence on existing common law protection; the process of criminalisation contributed to the creation of a civil law of trade marks as an identifiable body of law.

By way of background, as Lindsay Farmer has explained, the nineteenth century saw 'a huge expansion of the criminal law' by the 'legislative state'; in addition to extensive legislation codifying and consolidating existing offences, numerous new statutory offences were created, concerning a broad range of activities.<sup>131</sup> A common justification for such legislative criminalisation, shows Farmer, was the view that 'the function of the criminal law was that of defending

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<sup>129</sup> Sherman and Bently, *The Making of Modern Intellectual Property Law* (n 92) 166; L Bently, *The Making of Modern Trade Mark Law* (n 93) 4. Report from the Select Committee on the Trade Marks Bill and Merchandise marks Bill; PP 1862 (212), Q.2619.

<sup>130</sup> Bently, *ibid.*

<sup>131</sup> Farmer, *Making the Modern Criminal Law* (n 100) 78.

rights defined elsewhere in the law'.<sup>132</sup> As the Commissioners on Criminal Law asserted in their Fourth Report published in 1839:

A crime must usually consist of some act, or combination of acts, constituting a violation of some right, or an attempt to violate some right, aggravated by the use of violence, or a fraudulent or malicious intention.<sup>133</sup>

In the debates preceding the Merchandise Marks Act's passage, the 'right', the violation of which was being criminalised, was expressed to be the protection provided by the Court of Chancery, ancillary to the common law of deceit. As the President of the Board of Trade, Milner Gibson MP explained to the House of Commons Select Committee, the Merchandise Marks Bill did not involve:

the creation of any new species of property in trade marks. The rights now protected by the Court of Chancery are the only rights which I would protect under any criminal law<sup>134</sup>

In this sense, as Milner Gibson MP explained, the Merchandise Marks Bill was understood to be different to the legislative reform of design law<sup>135</sup> that 'created a new kind of property, which would not otherwise have existed'; 'in the case of trade marks ... the law already recognised a property in those marks and rendered it a civil offence to forge them'.<sup>136</sup> Criminalisation, then, demanded that the common law of deceit be conceived as a civil law of trade marks. Indeed, Milner Gibson MP's reference to the protection offered by the Court of Chancery is not without significance. The Court of Chancery had claimed a jurisdiction for itself that went beyond the common law basis of the action; in *Millington v Fox* an injunction was granted where there was no evidence of fraudulent use by the

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<sup>132</sup> *ibid* 82.

<sup>133</sup> Fourth Report of Her Majesty's Commissioners on Criminal Law, PP 1839 [168], xiii. See also, Seventh Report of Her Majesty's Commissioners on Criminal Law, PP 1943 [448], 7 'All wrongs are violations of right, the subject of either preventative or remedial provisions ...'

<sup>134</sup> 'Parliamentary Committees: Trade Marks', *The Standard* 8.4.1862, 5.

<sup>135</sup> This was a reference to the Design Registration Act 1839 (2 Vict), which was the first Act to protect designs to all articles of manufacture, and not just fabrics. See further, Sherman and Bently, *The Making of Modern Intellectual Property Law* (n 92) 64.

<sup>136</sup> Parl Deb 3rd S Vol 165 col 446 (18 February 1862), Milner Gibson MP speaking in the context of debates about registration.

defendant<sup>137</sup> and such an extension was uncertain as it raised difficult questions of principle about the relation between law and equity.<sup>138</sup> These uncertainties went unmentioned in legislative debates identifying the pre-existing rights that were to be criminalised.

Similar observations can be made about the nature of prosecutions under the 1862 Act; in applying the MMA, a number of courts expressly deferred to the civil courts of common law and equity on substantive trade mark law issues, treating the common law of deceit as the substantive law of trade marks. For instance, Liverpool Police Court declined to rule on whether ‘prepared corn’ for corn starch was a ‘mark’ protected by the 1862 Act, the magistrate suggesting that the complainants should first ‘get an authoritative decision’ from the Court of Chancery.<sup>139</sup> In another prosecution under the 1862 Act, about markings applied to hops, Mansion House Police Court granted the defendant ‘a special case for the purpose of taking the opinion of the Court of Queen’s Bench on the law as applicable to the facts’,<sup>140</sup> though this ‘appeal’ was subsequently withdrawn.<sup>141</sup> Implicit in these rulings, then, was the assumption that the substantive law of trade marks was a domain defined by civil law; criminalisation, therefore, contributed to the creation of the concept of a civil law of trade marks.

#### D Efficient Enforcement v the Forgery Paradigm

In relating the 1862 Act to pre-existing civil protection, the legislative debates also presented criminalisation as being concerned with the provision of a ‘more prompt and less expensive remedy’ for existing common law rights; the objective of criminalisation was ‘to facilitate the process’ of the more efficient

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<sup>137</sup> *Millington v Fox* (1838) 3 Myl & Cr 388; 40 ER 956.

<sup>138</sup> Bently, ‘From Communication to Thing’ (n 98) text to fn 43–45.

<sup>139</sup> Liverpool Police Court (1964) *Liverpool Mercury* (7 July) 3.

<sup>140</sup> Mansion House (1865) *The Standard* (17 July) 7.

<sup>141</sup> Mansion House (1865) *The Standard* (28 November) 3.

enforcement of existing rights at common law,<sup>142</sup> overcoming the ‘inefficiency of the present law, and of its great costliness and the delay which it occasioned’.<sup>143</sup> As we will now see, this goal came into conflict with the forgery paradigm upon which the Act was based, and was ultimately the cause of the 1862 Act’s demise.

As we saw above, the mental element of dishonesty—or intention to defraud—was an essential element of the crime of forgery.<sup>144</sup> However, in the debates culminating in the 1862 Act, concerns that this would stand in the way of efficient prosecutions, resulted in proposals to place the burden of proving dishonesty on the defendant.<sup>145</sup> In the debate on these proposals, in 1861, objections were raised as regards the position of ‘innocent parties who purchase goods in the ordinary course of business, and sell them without any fraudulent intent’;<sup>146</sup> in particular, ‘wholesale traders who deal in goods which are manufactured by others’.<sup>147</sup> As the petition of one society representing these interests—the Manchester Guardian Society for the Protection of Trade—stated:

your petitioners represent those who deal in goods which are so variously marked that it is utterly impossible to ascertain in most cases whether any trade mark or alleged trade mark is interfered with, or even whether the mark is intended as a trade mark or not; and yet at the instance of interested or malicious persons, criminal proceedings might be taken ... with the proof of infringement thrown onto the accused<sup>148</sup>

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<sup>142</sup> ‘Parliamentary Committees: Trade Marks’ (1862) *The Standard* (8 April) 5, Milner Gibson MP.

<sup>143</sup> *ibid.*, Mr Smith of the firm Avery and Co London.

<sup>144</sup> See text to n 127 above.

<sup>145</sup> Merchandise Marks Bill PP 1861 Bill 79, cl 8. Cf the debate about the burden of proof under s 92(5) today (see n 69).

<sup>146</sup> Petition of three London wholesale warehousemen, reprinted at App 582, Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 22–24 April 1861).

<sup>147</sup> Petition of the Manchester Guardian Society for the Protection of Trade, App 627, Appendix to the *Report of the Select Committee on Public Petitions* (in respect of petitions presented 29 April–1 May 1861).

<sup>148</sup> *ibid.* The petition of three London wholesale warehousemen (cited at n 146 above) also supported registration as a means of providing notice to those dealing in goods. The Glasgow Chamber of Commerce was also sensitive to these interests, and proposed both registration and limiting protected marks just to ‘names’ so as to make it clear what could be claimed as a trade mark. See Report on Trade Marks at Glasgow Chamber of Commerce, Minutes 11 February 1862, Glasgow City Archives.



The 1862 Bill was prepared expressly with the intention of meeting to this concern<sup>149</sup> and therefore the resulting 1862 Act required the prosecutor to prove dishonesty. However, the tension between the forgery paradigm (requiring proof of dishonesty) and the objective of efficient remedies continued after the 1862 Act's passage. Writing three years after the Act's passage, the barrister Edward Lloyd commented that 'it does not seem probable that this Act will come into very general use, owing to the difficulty of proving a fraudulent intention ...'<sup>150</sup> For the same reason, writing after the Act's repeal, the treatise writer DM Kerly described the 1862 Act as 'a dead letter from its first enactment'; 'it left the onus of proving the intent to defraud of the person charged upon the prosecutor, and it made no provision for the summary prosecution of these offences'.<sup>151</sup>

The 1862 Act's demise, then, stemmed from an inherent tension in legislative objectives. On the one hand, the forgery paradigm was important; the analogy with the forgery of cheques and bills signified that trade mark offences were serious crimes involving dishonesty.<sup>152</sup> Yet, the requirement of dishonesty at the heart of forgery<sup>153</sup> conflicted with the objective of facilitating the efficient prosecution of the misuse of trade marks. While the context in the nineteenth century was very different, these themes reveal remarkable continuity with the underlying tensions we noted in the categorisation of intellectual property offences today.<sup>154</sup> Bringing the analysis back to the ruling in *Johnstone*, the

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<sup>149</sup> As William Matheson Hindmarch QC, a barrister who drafted the Merchandise Marks Bill, wrote to the Glasgow Chamber of Commerce in 1862, the intention was 'to prepare a Bill ... free from the objections taken by the wholesale dealers to the Bill of last year'. Letter dated 9 December 1861 from WM Hindmarch to Samuel Higginbotham Esq, Glasgow Chamber of Commerce papers, Glasgow City Archives.

<sup>150</sup> 'Reviews: The Law of Trade Marks', (1865) *Solicitors' Journal and Reporter* (18 November) 47, quoting E Lloyd, *The Law of Trade Marks*, 2nd edn (London, Yates and Alexander, 1865) 12.

<sup>151</sup> Kerly and Underhay (n 114) 3. Cf the position under the Merchandise Marks Act 1887 (50 & 51 Vict), which repealed and replaced the 1862 Act, and placed the burden of proving 'intent to defraud' on the accused (see Kerly and Underhay, *Law of Merchandise Marks*, 5). The aim of this change, as well as others introduced by the 1887 Act, was to ensure that 'the operation of the measure shall be as prompt and as summary as possible.' Parl Deb 3rd S Vol 316 col 1730 (4 July 1887), Mr Mundella.

<sup>152</sup> See text to nn 117–19.

<sup>153</sup> See text to n 127.

<sup>154</sup> See section III A.

characterisation of intellectual property offences today, as in the nineteenth century, again occupies a complex ground, straddling both analogies with 'real crime' involving dishonesty and regulatory objectives of facilitating efficient prosecution.

## 5 Conclusion

*Johnstone*, as we saw at the outset, is the only House of Lords authority on the interpretation of criminal offences in a current intellectual property statute. While the case has been much considered for its contribution to case law on the functions of a trade mark and the human rights issues arising from the reversal of the burden of proof, little attention has been given to its implications for the relation of intellectual property between civil and criminal law. This chapter fills this gap. It has argued that the position of intellectual property offences within broader criminal law categories helps to explain why the House of Lords both affirmed the general principle of trying to keep criminal offences as self-contained as possible, while also referring to concepts from the civil law of trade marks. While 'dishonesty' is often referred to as a characteristic of conduct that is criminalised, the elements of the offence in section 92 have been framed on the basis of a regulatory rationale, justified by reference to the public interest in efficient enforcement. This latter rationale explains, among other things, why closer analogies between intellectual property crime and the current law of theft were not pursued in *Johnstone*.

The historical experience uncovered in this chapter illustrates that the role of the criminal law in intellectual property is far from new. As we have seen, the criminal law provided an important contribution to the making of the first legislation protecting trade marks regardless of subject matter: the Merchandise Marks Act 1862. Not only was the basis of this legislation an existing criminal law paradigm (forgery), but processes of criminalisation, in demanding the identification of a pre-existing legal right, contributed to the emergence of the concept of a civil law of trade marks. The assumption of recent times that criminal offences lie at the periphery of trade mark law, is revealed to be

historically contingent; criminalisation was in fact a central process in the making of modern trade mark law.

How do these historical antecedents help us better to reflect on the relation between criminal and civil law in *Johnstone*? *Johnstone*, as we have seen, is on one level explained by factors that are intrinsically tied to its context in recent times, most obviously the objective of EU harmonisation of trade mark law (which required the courts to interpret section 92 so as to keep the scope of criminal offences narrower than the protection offered by civil law) and the particular language of the relevant parts of the Trade Marks Act 1994 (section 92). However, as we have seen, taken on their own, these factors do not adequately explain the precise nature of the relation between civil and criminal law struck by the House of Lords. Indeed, this was a point that was raised but unanswered in the existing literature; why had the House of Lords not advocated a closer relation between civil and criminal law concepts? History, in providing us with the experience of a very different time and context, can help us to transcend immediately obvious explanations, and uncover underlying tensions with deeper roots. While there are stark differences between the nineteenth-century experience presented in this chapter and the case law on intellectual property offences today, both reveal trade mark offences to be caught between the paradigm of serious crime involving dishonesty (forgery in the nineteenth century and theft today) and efficient enforcement. As we have seen, *Johnstone* is best understood by reference to this tension. History, therefore, helps us to appreciate the longstanding complexity of criminal offences relating to the category we today refer to as intellectual property, and their ambivalence to paradigms of serious crime.