

ECJ: Bulgarian Penalty for Trade Mark Infringement Disproportionate

Thomas Wahl

News

In its judgment of 19 October 2023 in [Case C-655/21 \(G. St. T.\)](#), the ECJ interpreted the principles of legal certainty and proportionality as enshrined in Art. 49(1) and (3) CFR in the context of the incrimination of trade mark infringements under Bulgarian law.

In the case at issue, the referring District Court, Nesebar, Bulgaria, had doubts as to whether the Bulgarian provisions that implemented Union and international law on the enforcement of intellectual rights are in line with the EU Charter of Fundamental Rights (CFR).

The principle of legality

The first peculiarity in Bulgarian law is that the same conduct, i.e., the use in the course of trade of a trade mark without the consent of the holder of the exclusive right, is sanctioned both as an administrative and a criminal offence. Nevertheless, Bulgarian legislation does not include any criterion to differentiate categorisation as a criminal offence and as an administrative offence. That absence of a clear and precise criterion has led to contradictory practice and unequal treatment of litigants who have committed practically the same acts. The Bulgarian court wonders whether such legislation is contrary to the principle of the legality of criminal offences and penalties within the meaning of Art. 49(1) CFR.

The [ECJ replied](#) that the legality principle means that criminal law provisions must be accessible, predictable and clear as regards the definition of the offence and the sentencing. Thus, every citizen must understand which conduct will make him or her criminally liable. However, the principle does not give rise to a requirement for the national legislation to contain criteria for the distinction between an administrative offence and a criminal offence being described in similar or identical terms.

The principle of proportionality of custodial sentence

However, the ECJ took issue with the level of sentence. Bulgarian criminal law penalizes the illegal use of a trade mark that has occurred repeatedly or has caused significant harmful effects with a custodial sentence ranging from five to eight years of imprisonment. The referring court stated that the lower limit of that custodial sentence is extremely long and that that sentence is, moreover, combined with a fine of an equally high amount. Furthermore, the possibilities for the court to reduce or suspend the sentence are very limited. The referring court wondered whether such legislation is precluded under Art. 49(3) CFR.

The ECJ acknowledged that, in the absence of internal EU legislation in the field of the sanctions applicable, the Member States have the power to determine the nature and level of those penalties. Nevertheless, those

AUTHOR

Thomas Wahl

Senior Researcher
Max Planck Institute for the
Study of Crime, Security and
Law

Published in
2023, Vol. 18(3) eucrim
ISSN: 1862-6947
<https://eucrim.eu>



punitive measures must be proportionate. According to the ECJ, a custodial sentence providing for a minimum of five years for all cases of unauthorised use of trade mark in the course of trade does not satisfy that requirement. Such legislation fails to take account of any specific aspects of the circumstances of the case. Therefore, the Bulgarian criminal provision in question is precluded in the light of Art. 49(3) CFR.

About eucrim

eucrim is the leading journal which regularly informs about current developments in European criminal and “criministrative” law.

All news items are freely accessible at: <https://eucrim.eu/news/>

Stay informed by emailing to eucrim-subscribe@csl.mpg.de to receive alerts for new releases of issues.

The project is co-financed by the Union Anti-Fraud Programme (UAF), managed by the European Anti-Fraud Office (OLAF).



**Co-funded by
the European Union**