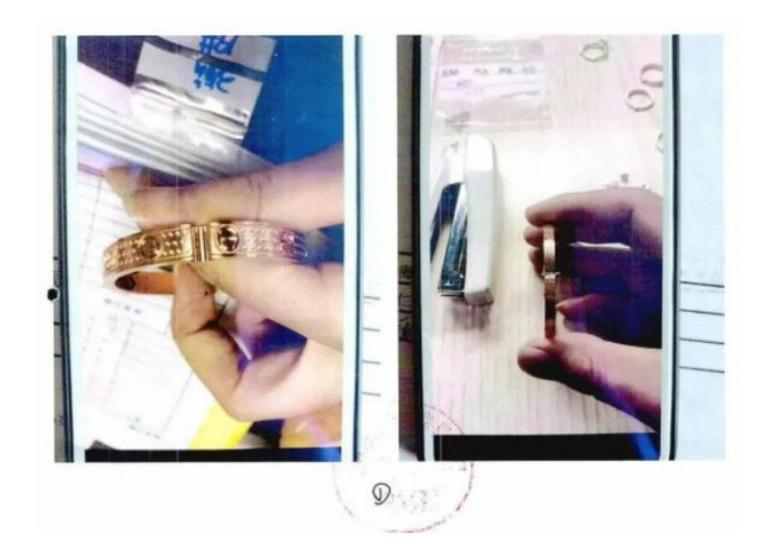
Shanghai No. 3 Intermediate People's Court Affirms Prison Sentence in 61 Million RMB Cartier Counterfeit Case

Article By:

Aaron Wininger

On January 24, 2022, the Shanghai Third Intermediate People's Court (??????) announced the affirmation of a lower court's ruling sentencing co-defendant Wu XX to two years, two months in prison for counterfeiting trademarks of Cartier and generating illegal revenue of more than 61 million RMB (~\$9.6 million USD).



Counterfeit Cartier Bracelets

In the first instance trial the Court found that two other co-defendants operated the "Queen of Charms Jewelry Store" (??????) on Taobao, an online marketplace somewhat analogous to Amazon. Without the permission of the holder of the registered trademark of Cartier, they produced bracelets bearing counterfeit Cartier brand registered trademarks in a jewelry company in Guangdong Province by independently purchasing raw materials and processing the purchased raw materials for customers, so as to sell counterfeits for profits.

From March 2020 to October 2020, the jewelry company made counterfeit Cartier brand bracelets with an illegal business revenue of more than 61 million RMB, generating approximately 800,000 RMB of net profits from processing raw materials purchased it purchased. During that period, although Wu XX and co-defendant Guo YY did not participate in the business management of the jewelry company, they invested by buying shares even though they were fully aware that the company produced bracelets with counterfeited registered trademarks of the Cartier brand, holding 31.25% and 25% of the shares respectively, and each month they received a fixed income of 3,000 RMB and interest.

Wu XX and Feng ZZ, a co-related person (convicted in a separate trial), jointly compensated the trademark owner Cartier International Co., Ltd. 800,000 RMB and reached an understanding. During the trial of the first instance, Wu XX and Guo YY refunded 91,000 RMB and 73,500 RMB respectively. The court of first instance sentenced Wu XX and Guo YY to two years, two months and one year and eight months in prison for the crime of counterfeiting a registered trademark, and each was fined 200,000 RMB. Wu XX appealed.

On appeal, the court held that: The appellant surnamed Wu and the defendant in the original instance surnamed Guo, in collusion with others, used the registered trademark on the same kind of commodities without the permission of the owner of the registered trademark, with especially serious circumstances, and their acts have constituted the crime of counterfeiting registered trademarks, and they should be punished according to the law. Considering that the appellant surnamed Wu was an accessory, truthful confessed and admitted guilt, paid compensation and obtainment an understanding, the original judgment gave him a relatively lenient punishment. However, the amount of revenue incurred by the appellant surnamed Wu in the crime of participating in the counterfeiting of registered trademarks amounted to over 61 million RMB, with the circumstances being particularly serious, and so did not meet the conditions for probation. The Court affirmed the earlier judgement.

The full announcement is available <u>here</u> (Chinese only).

© 2025 Schwegman, Lundberg & Woessner, P.A. All Rights Reserved.

National Law Review, Volume XII, Number 25

Source URL: https://natlawreview.com/article/shanghai-no-3-intermediate-people-s-court-affirms-prison-sentence-61-million-rmb