



ACTIONS



Illegal Products Seized in Brazil

New Brazilian Officials Continue to Fight Against Piracy. In São Paulo, the beginning of 2013 marked a shift in the political party and the installation of new state-level security officials. A January raid action by the Specialized IP Enforcement Unit of the Civil Police sparks hope that the new officials will continue the fight against piracy in accordance with the *City Free of Piracy* program. The January raid targeted a downtown São Paulo business that was pirating video games and selling circumvention devices. Brazilian officials stopped the distribution of counterfeit *Nintendo Wii* games and game copying devices loaded with *Nintendo DS* games.

Jury Finds “Operation Tangled Web” Defendant Guilty in the U.S. On March 27, a U.S. District Court sentenced a mod chip seller, Jeffrey Reichert, to one year in prison and ordered him to pay court fines after a jury found him guilty of violating the Digital Millennium Copyright Act (DMCA). His trial stemmed from the nationwide “Operation Tangled Web” investigation by Immigration and Customs Enforcement (ICE). This action, targeting online mod chip sellers, involved the simultaneous execution of 32 search warrants across 16 states. Reichert sold mod chips for *Nintendo* consoles and other major platforms via his fallsin.com website. Nintendo testified at his trial and has supported the prosecution of other “Operation Tangled Web” defendants.

A California Craigslist Seller Is Sentenced to a Six-Month Jail Term. A California man pled guilty to 27 felony counts of intellectual property violations related to the manufacture and sale of counterfeit products distributed via Craigslist. His arrest followed the execution of a search warrant at his residence by the Riverside County Sheriff’s Department High-Tech Response Team. The search uncovered pirated DVD movies, game copying devices and almost 5,000 illegal *Nintendo* games stored on memory cards. In March, the seller was sentenced to six months in jail and six months in a work release program.

IP POLICY ACTIVITIES

Canadian Government Introduces New Anti-Counterfeiting Legislation. On March 1, the *Combating Counterfeit Products Act* was introduced to provide Canadian Customs with stronger anti-piracy enforcement tools. Its passage would grant border officers more authority to detain suspected shipments and contact IP owners.

Nintendo Highlights Countries with Inadequate IP Protection in Special 301 Report. On February 8, Nintendo filed its Special 301 Report with the United States Trade Representative (USTR), an instrumental process in Nintendo’s worldwide anti-piracy program. This year, Nintendo filed comments on Brazil, China, Mexico and Spain. Nintendo also submitted comments to USTR in the 301 submission filed by the International Intellectual Property Alliance (IIPA), which represents the U.S.-based copyright industry trade associations including the Entertainment Software Association (ESA).

AWARENESS AND TRAINING

U.S. Law Enforcement Offers Support to Game Industry. On behalf of its video game industry members, the ESA participated in a law enforcement training sponsored by the Los Angeles County Sheriff’s Department. Over 300 federal, state and local law enforcement officials attended the event, including FBI, Homeland Security (HSI), Customs and Border Protection (CBP), state and local police. The training highlighted the cooperation between law enforcement authorities and the game industry to combat the threat of piracy. Since the training, law enforcement officials have identified a number of video game piracy targets worthy of further investigation.

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Hong Kong Authorities Continue to Crack Down on Game Copier Sellers. Despite entering a guilty plea for selling R4 products, an individual received 120 hours of community service for criminal IP violations. In a separate action, a game copier seller (previously convicted on similar charges) was sentenced to two months imprisonment after pleading guilty to criminal IP activities.

Korean Court Decisions Boost Anti-Piracy Awareness. Authorities successfully targeted six individuals pirating and distributing *Nintendo* games and issued deterrent fines and penalties. In one case, an online seller of pirated *Nintendo* games received a prison sentence of one year with a two-year stay of execution along with a criminal fine of KRW 27,888,000 (approximately USD \$26,435) and forfeiture of all infringing goods. The remaining defendants received prison sentences of eight to 10 months.

Saudi Arabian Customs Seize Nintendo Counterfeits. Customs officials have responded positively to their participation in *Nintendo*'s training program over the past year. Agents at Jeddah-King Abdulaziz Airport stopped two separate shipments of counterfeit *Nintendo* games imported from China, and confiscated approximately 5,000 illegal *Nintendo* games.

Taiwan Continues to Lead Region in Hard Goods IP Enforcement. Eleven District Court decisions led to convictions of 14 – and prison sentences for at least four – individuals involved in the commercialization of modified *Wii* hardware and the sale of illegal game copiers. To strengthen its enforcement regime, Taiwan continues to invest in training activities for local judiciary, prosecutors and law enforcement officials, including ongoing *Nintendo*-sponsored IP trainings.

Nintendo Complaints Spur Actions in the UAE. Following on *Nintendo*'s filing of complaints with the Dubai Department of Economic Development (DDED) for two consecutive years, *Nintendo* has noted a decrease in availability of infringing goods in the open marketplaces. While the authorities seized a small number of counterfeit *Nintendo* games in January, their actions reinforced *Nintendo*'s commitment to intellectual property rights protection and to creating an environment for authentic *Nintendo* product sales.

IP POLICY ACTIVITIES

The Video Game Industry Submits Comments on China's Copyright Law. Through its membership in the International Intellectual Property Alliance (IIPA), the ESA submitted comments on behalf of the video game industry to the Chinese Government seeking improvements to the proposed copyright law. China's copyright law is under review with plans to improve existing legislation that would include technical protection measures. *Nintendo* is hopeful that the proposed legislation will positively impact its ability to pursue game copying devices and modification chips.

AWARENESS AND TRAINING



Shenzhen Customs District Training

Nintendo Appoints New Customs Agent in China. Following a decline in seizures by Chinese Customs officials in 2012, *Nintendo* appointed REACT China to handle Customs-related matters. REACT will collaborate with GACC (General Administration with China Customs), represent *Nintendo* at all Customs trainings and support all Customs-related actions. REACT participated in five trainings in Huangpu, Shenzhen, Gongbei, Tianjin and Ningbo, providing tips on detecting illegal *Nintendo* products and information about the company's global anti-piracy priorities.

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**Roissy Customs Seizes
Game Copiers**

Training in France Leads to Customs Seizures. Sparked by Nintendo's heightened collaboration with French Customs, the authorities are stopping game copiers imported from China. Nintendo's hands-on training with officials on March 12 has paid off as Roissy Customs has stopped two separate shipments of game copiers in the past month – one shipment of 600 devices was stopped on April 11; and, the second on April 24 included 100 game copiers.

Italian Police Shuts Down Popular Pirated Game Website. Following a criminal complaint initiated by both the Italian recording industry and the AESVI (Italian video game association), the Italian police seized the servers of a popular pirate website (Downloadzoneforum) in January. The site, which hosted many links to illegal video game files, attracted significant local popularity and ranked as one of the most visited website for accessing illegal content.

The Island of Jersey Cleans Up the R4 Business. In January, after successfully shutting down the R4Mania e-commerce websites (reported in the Q4 2012 Global Snapshot), Nintendo followed up with a second enforcement action against the R4 Galaxy and Dilfoo.fr group of sites. In close collaboration with the Island of Jersey's law enforcement authorities, Nintendo

took over an additional 30 domain names linked to the widespread distribution of game copying devices. Based on the actions in Jersey, over 60 websites either have been shut down or are no longer selling game copiers. The Jersey operations have led to a dramatic reduction in the number of game copying devices imported into many European Member States, most notably a decrease in shipments destined for France and Germany.

IP POLICY ACTIVITIES

Spain Drafts New Intellectual Property (IP) Bill. On March 22, the Ministry of Education, Culture and Sports proposed draft IP legislation to reform intellectual property law. The IP bill features three key components: (1) a section focused on the scope of the private copy exception in the Spanish Intellectual Property Law; (2) measures to boost transparency and efficacy in Spanish collecting societies; and (3) protection of IP rights against online piracy. This last section seeks to remedy perceived deficiencies in existing IP laws (specifically the *Ley Sinde*) that hinder the ability of the newly formed IP Commission to target pirate websites. The IP bill should be approved by the end of this year.

The U.K. Digital Economy Act's Notice-Sending Program Sees More Delays. National telecommunications regulator Ofcom, which is responsible for implementing the operational guidelines for the Internet notice-sending program under the Digital Economy Act (DEA), has been reclassified as a public authority. As a result, additional regulations must be passed to establish procedures for Ofcom's handling of funds transferred between IP rights holders and ISPs under the notice-sending scheme. A further consultation and approval from Parliament could delay the Internet notice-sending program until 2015.

AWARENESS AND TRAINING

Austria, Germany and France Hold Customs Training. Customs officers in France and Germany learned how to detect counterfeit *Nintendo* products and circumvention devices during two training sessions, one at Chilly Mazarin in France on March 12, and another in Speyer, Germany, on March 5. Both locations primarily handle small consignments (such as circumvention devices) in postal services. Austrian customs officers from Vienna and Northern Austria also received key training for identifying counterfeit products and circumvention devices on February 26.