



Global Trends and Customs:

Why Record Trademarks and Copyrights with U.S. Customs?

Peter A. Quinter
 pquinter@becker-poliakoff.com
 Tel 954.985.4101
 Fax 954.985.4176

Many companies mistakenly believe that registering a trademark or copyright with the U.S. Government provides sufficient protection and remedies, and, therefore, do not take the extra step to record those trademarks or copyrights with U.S. Customs and Border Protection (U.S. Customs). The processes achieve two different goals.

Registering a trademark with the U.S. Patent and Trademark Office (USPTO) or copyright with the U.S. Copyright Office gives public notice of one's ownership of the trademark or copyright. On the other hand, the purpose of recording a trademark or copyright with U.S. Customs is to partner with the agency in preventing the unauthorized importation of merchandise that bears a recorded trademark or copyright. U.S. Customs prevents counterfeit and otherwise infringing products from entering or exiting the United States for registered trademark or copyright holders who have recorded their trademarks or copyrights with Customs.

U.S. Customs officials may detect infringing merchandise at the time of entry into the United States. When a trademark or copyright is recorded with Customs, the information is entered into an electronic database accessible to U.S. Customs officers around the world. U.S. Customs uses this information to target suspect shipments for the purpose of physically examining merchandise which ultimately prevents the importation or exportation of infringing goods.

Advantages to Recording a Trademark or Copyright with Customs

The first and most obvious advantage to recording a trademark or copyright with U.S. Customs is that the agency will monitor and seize infringing merchandise at the ports of entry. Because U.S. Customs does this, the

trademark or copyright holder does not have to locate and prosecute every unauthorized importer, distributor, or retailer illegally using its trademark or copyright.

In 2006, U.S. Customs seized more than \$155 million worth of merchandise that infringed intellectual property rights (IPR). Comparatively, in 2005, the total domestic value amount of merchandise seized by U.S. Customs was \$93 million. In 2006, clothing, handbags, and footwear comprised over 66 percent of the total merchandise seized, worth more than \$100 million. Whereas in 2005, the total percentage of clothing, handbags, and footwear seized by Customs was 40 percent, valued at \$39 million. In 2006, counterfeit pharmaceuticals, computers, and consumer electronics comprised 15 percent of the total seized merchandise, worth more than \$23 million. While in 2005, counterfeit pharmaceuticals, cigarettes, toys, and consumer electronics accounted for 39 percent of the seized merchandise, worth more than \$27 million.

Second, U.S. Customs has the authority to issue monetary fines against anyone who facilitates the attempted introduction into the United States of seized and forfeited counterfeit merchandise.

Third, U.S. Customs may go to the U.S. Attorney's Office and request that those involved in the illegal activity be criminally prosecuted under the Trademark Counterfeiting Act of 1984. First-time violators of the Act are subject to penalties of up to ten years imprisonment and/or a \$2 million fine, while repeat offenders are subject to 20 years imprisonment and/or a fine of up to \$5 million.

Finally, U.S. Customs may coordinate and participate in raids on counterfeit production facilities internationally.



U.S. Customs officers located at American embassies around the world routinely cooperate with foreign law enforcement agencies and share information for the criminal prosecution of manufacturers and exporters of counterfeit merchandise located overseas.

Customs e-Recordation System

Trademark and copyright recordations may now be filed on-line with U.S. Customs' new IPR e-Recordation online system. There are highly technical issues in U.S. Customs regulations found in 19 C.F.R. Part 133, and in the specific questions that are asked on the application.

The following is a checklist of the information necessary to submit an electronic trademark or copyright application:

- Description of trademark or copyright registered with the USPTO;
- USPTO Registration Number;
- Country of manufacture of protected goods bearing the trademark or country of manufacture of genuine copies or phonorecords of the protected copyright work;

- Names of any parent companies, subsidiaries, or other entities that are under common control with, or share any type of ownership interest or relationship with, the U.S. trademark owner, or names of all parties authorized to use or reproduce the copyrighted work..

When filing a trademark through U.S. Customs' e-recordation website, it is advisable to attempt to obtain "gray market" protection from U.S. Customs. Gray market goods are foreign-made articles bearing either a genuine trademark or a trade name that is identical to or substantially indistinguishable from one owned and recorded by a U.S. citizen or company, which are imported without authorization from the U.S. holder.

Conclusion

It is extremely beneficial for a company to record its registered trademark or copyright with U.S. Customs, as U.S. Customs may be a company's greatest, and most cost effective ally when it comes to trademark and copyright enforcement. ■

Customs & International Trade Department

Becker & Poliakoff, P.A.

www.becker-poliakoff.com

Tel: 954.987.7550

Fax: 954.985.4176