



Protecting Your Brand from Trademark Infringement and Counterfeiting

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HOW A TYPICAL TRADEMARK INFRINGEMENT AND COUNTERFEITING CASE COMMENCES WITH U.S. CUSTOMS:

- U.S. CUSTOMS PLACES MERCHANDISE ON HOLD FOR INSPECTION
- U.S. CUSTOMS FORMALLY DETAINS THE MERCHANDISE
- U.S. CUSTOMS ISSUES SEIZURE NOTICE



TIMING IS EVERYTHING!



- DURING THE DETENTION PROCESS, ESTABLISHING PROOF OF THE GENUINENESS OF MERCHANDISE WILL AVOID SEIZURE OF MERCHANDISE, ADMINISTRATIVE DELAYS, AND RELATED COSTS.
- PROVIDING DOCUMENTARY PROOF OF THE GENUINENESS OF THE TRADEMARKS IN QUESTION TO US CUSTOMS

IMPORT SPECIALIST BRANCH:



TEAM 472: FOOTWEAR, HEADGEAR, HANDBAGS, PLASTICS

TEAM 473: STONE, CEMENT, CERAMICS, METALS, GLASS,
FURNITURE

TEAM 474: MACHINERY, ELECTRICAL EQUIPMENT,
ELECTRONICS, CHEMICALS, PHARMACEUTICALS,
PERFUMES

TEAM 483: CUT FLOWERS, LIVE ANIMALS, FOOD PRODUCTS

WHERE THE IMPORT SPECIALIST IS SATISFIED THAT THE
MERCHANDISE IS GENUINE, THE MERCHANDISE WILL BE
IMMEDIATELY RELEASED.

WHERE FINES, PENALTIES & FORFEITURES OFFICE ISSUES A SEIZURE NOTICE:

- CASE ASSIGNED TO PARALEGAL SPECIALIST AT FINES, PENALTIES & FORFEITURES OFFICE OF US CUSTOMS
- PETITION MUST BE FILED WITHIN 30 DAYS TO AVOID FORFEITURE OF MERCHANDISE.



STRATEGY #1 (BEST OPTION):

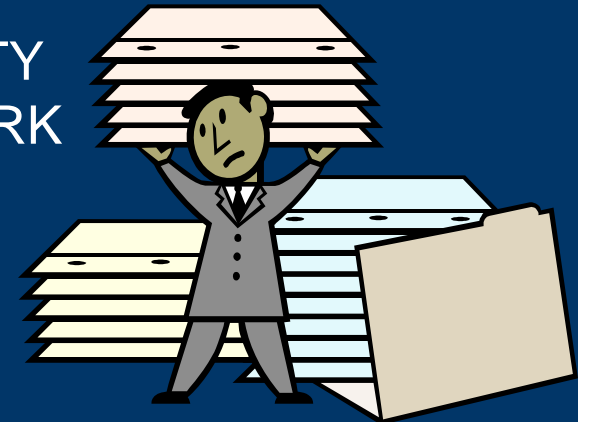
- IDENTIFY DOMESTIC REPRESENTATIVE OF TRADEMARK OWNER (USPTO - US CUSTOMS)
- SECURE WRITTEN AUTHORIZATION FOR IMPORTATION, OR EXPORTATION OF MERCHANDISE.



RECORDATION OF TRADEMARKS WITH US CUSTOMS:

APPLICATION FILED WITH INTELLECTUAL PROPERTY RIGHTS & RESTRICTED MERCHANDISE BRANCH
(PART 133 CFR):

- NAME, ADDRESS, AND CITIZENSHIP OF TRADEMARK OWNER
- PLACE OF MANUFACTURE OF GOODS
- NAME AND ADDRESS OF EACH FOREIGN ENTITY AUTHORIZED OR LICENSED TO USE TRADEMARK
- CERTIFICATE OF REGISTRATION WITH USPTO
- FEE OF \$190.00 PER TRADEMARK



BASES UPON WHICH TRADEMARK HOLDER MAY AGREE TO PROVIDE WRITTEN AUTHORIZATION FOR THE RELEASE OF MERCHANDISE:

- PETITIONER IS ABLE TO CONCLUSIVELY DEMONSTRATE THE MERCHANDISE IS GENUINE.

EXAMPLE FROM RECENT CASE:

UL – TRACEABILITY – DIGITAL CAMERAS: CABLE WIRE MANUFACTURER (REGISTERED LICENSEE) - ASSEMBLY MANUFACTURER - CAMERA MANUFACTURER - DISTRIBUTOR - PETITIONER).

- THE MERCHANDISE MAY BE MANIPULATED IN SUCH A WAY THAT THE OFFENDING MARK IS OBLITERATED OR REMOVED.

EXAMPLE FROM RECENT CASE:

UL AND DVD: COMPUTER TOWERS AND POWER SOURCES

OTHER BASES UPON WHICH TRADEMARK HOLDER MAY AGREE TO PROVIDE WRITTEN AUTHORIZATION FOR THE RELEASE OF MERCHANDISE:

- PAYMENT OF FUNDS TO TRADEMARK HOLDER AS COMPENSATION FOR AGREEING TO A ONE (1) TIME RELEASE.
- EXECUTION OF LICENSE AGREEMENT (WITH RETROACTIVE EFFECT)(EG: SD LOGO).
- MANUFACTURER MISREPRESENTED STATUS AS REGISTERED LICENSEE (THE “SHENZHEN PHENOMENON”).
- PETITIONER AGREES TO COOPERATE IN INVESTIGATION BY TRADEMARK HOLDER OF FOREIGN COMPANY.
- PETITIONER AGREES TO CESSATION OF FUTURE BUSINESS WITH FOREIGN COMPANY.

STRATEGY #2:

MERCHANDISE IS NOT COUNTERFEIT BASED UPON CONFUSINGLY SIMILAR STANDARD

WHERE TRADEMARK HOLDER REFUSES TO PROVIDE AUTHORIZATION FOR RELEASE OF MERCHANDISE, PETITIONER MAY SOMETIMES ARGUE THAT THE MERCHANDISE IS NOT COUNTERFEIT BASED UPON THE “CONFUSINGLY SIMILAR STANDARD”:

- THE STRENGTH OF THE OF THE INFRINGED TRADEMARK.
- THE SIMILARITY OF THE TRADEMARKS IN QUESTION.
- THE COMPETITIVE PROXIMITIES OF THE TRADEMARK HOLDERS’ MERCHANDISE.
- THE ALLEGED INFRINGER’S INTENT TO CONFUSE THE PUBLIC.
- EVIDENCE OF ACTUAL CONFUSION.

PETITION FOR RELEASE OF MERCHANDISE IS DENIED:

FP&F GUIDELINES FOR THE SEIZURE, REMISSION OF FORFEITURE, AND IMPOSITION OF CIVIL FINES FOR IMPORTED MERCHANDISE BEARING COUNTERFEIT MARKS:

THE ANTI-COUNTERFEITING CONSUMER PROTECTION ACT PROVIDES AUTHORITY FOR U.S. CUSTOMS TO IMPOSE CIVIL FINES PURSUANT TO 19 U.S.C. § 1526(f), IN ADDITION TO THE SEIZURE AND FORFEITURE OF IMPORTED MERCHANDISE BEARING COUNTERFEIT MARKS.

- PARTIES SUBJECT TO FINES: ANY PERSON WHO “DIRECTS, ASSISTS FINANCIALLY OR OTHERWISE, OR AIDS AND ABETS THE IMPORTATION OF MERCHANDISE.”

PENALTIES FOR FIRST VIOLATIONS:

FINE ASSESSED:

VALUE OF MERCHANDISE AS IF IT HAD BEEN GENUINE, BASED UPON THE MSRP OF THE GENUINE MERCHANDISE AT THE TIME OF THE SEIZURE.



PENALTIES FOR A SECOND OR SUBSEQUENT VIOLATION:

FINE ASSESSED:

**TWICE VALUE OF MERCHANDISE AS IF IT
HAD BEEN GENUINE, BASED UPON THE
MSRP OF THE GENUINE MERCHANDISE, AT
THE TIME OF THE SEIZURE.**



MITIGATION OF PENALTIES:

U.S. CUSTOMS MAY CONSIDER AGGRAVATING AND MITIGATING FACTORS.

LACK OF INTENT OR KNOWLEDGE AS TO THE COUNTERFEIT NATURE OF THE IMPORTS IN QUESTION MAY BE CONSIDERED A MITIGATING FACTOR IN DETERMINING THE MITIGATED AMOUNT OF THE FINE.

HOWEVER, IT SHALL NOT SHIELD THE INVOLVED PARTY FROM INITIAL ASSESSMENT OF THE FINE.

MITIGATING FACTORS INCLUDE:

- LACK OF KNOWLEDGE OF THE COUNTERFEIT NATURE OF THE TRADEMARK.
- PRIOR GOOD RECORD OF IMPORTATION.
- INEXPERIENCE IN IMPORTING.
- COOPERATION WITH U.S. CUSTOMS IN ASCERTAINING THE FACTS ESTABLISHING THE VIOLATION.
- INABILITY TO PAY THE FINE – DEMONSTRATED BY DOCUMENTARY EVIDENCE INCLUDING, BUT NOT LIMITED TO, INCOME TAXES FOR THE PAST THREE YEARS.

AGGRAVATING FACTORS INCLUDE:

- MORE THAN TWO PRIOR IMPORTATIONS OF MERCHANDISE SEIZED AND FORFEITED.
- CRIMINAL VIOLATION RELATING TO THE SUBJECT TRANSACTION.
- SUBMISSION OF FALSIFIED DOCUMENTATION (DESCRIPTION, COUNTRY OF ORIGIN), OR OTHER DECEPTIVE PRACTICES IN CONNECTION WITH THE SUBJECT IMPORTATIONS.

WHAT ARE THE EFFECTS OF AGGRAVATING AND MITIGATING FACTORS?

- FIRST OFFENSE, WITH MITIGATING AND NO AGGRAVATING FACTOR(S):
 - **10% - 30%** OF THE MSRP OF THE GENUINE GOOD (THE ASSESSED FINE AMOUNT).
- FIRST OFFENSE WITH AGGRAVATING FACTOR(S):
 - **30% -50%** OF THE MSRP OF THE GENUINE GOOD (THE ASSESSED FINE AMOUNT).
- FIRST OFFENSE, WITH EVIDENCE OF KNOWLEDGE OF COUNTERFEIT NATURE OF GOODS, AND NO AGGRAVATING FACTORS:
 - **50% - 80%** OF THE MSRP OF THE GENUINE GOOD (THE ASSESSED FINE AMOUNT).

Continued . . .

- SECOND OFFENSE, WITH MITIGATING, AND NO AGGRAVATING FACTOR(S):
 - **10% - 30%** OF THE MSRP OF THE GENUINE GOOD (THE ASSESSED FINE AMOUNT).
- SECOND OFFENSE, WITH AGGRAVATING FACTOR(S), OR THIRD OR SUBSEQUENT OFFENSE:
 - **50% - 80%** OF THE MSRP OF THE GENUINE GOOD (THE ASSESSED FINE AMOUNT).
- SECOND OFFENSE, WITH EVIDENCE OF KNOWLEDGE OF COUNTERFEIT NATURE OF GOODS:
 - **NO MITIGATION.**

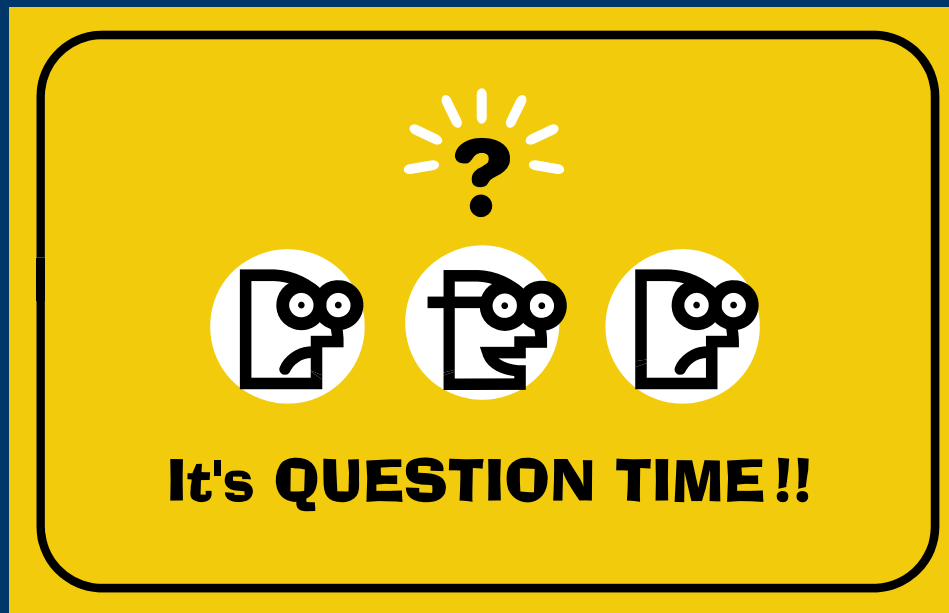
THE IMPOSITION OF A FINE RESTS WITHIN THE SOLE DISCRETION OF U.S. CUSTOMS, AND SHALL BE IN ADDITION TO ANY CIVIL OR CRIMINAL PENALTY AUTHORIZED BY LAW.

TRADEMARK HOLDERS MAY PROCEED IN CIVIL LITIGATION AGAINST PERSONS SUSPECTED TO HAVE IMPORTED COUNTERFEIT MERCHANDISE.

- **STATUTORY DAMAGES OF UP TO ONE MILLION DOLLARS.**



Questions





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