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## World Trade Overview

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### Strategies for Dealing with Counterfeiting

At the end of June, Customs announced that it had broken up a counterfeit importing ring, and that its agents had seized over 950 shipments of counterfeit goods, worth approximately \$700 million dollars if the goods were authentic. The investigation involved the ports of Newark NJ, Houston TX, Long Beach CA, and Staten Island NY. In light of this recent high profile action, companies should review what steps they are taking to protect their valuable trademarks and trade names against counterfeiting and other unauthorized uses.

Those interested in reading more about the seizure can by clicking on [this link](#) for the press release issued by U.S. Immigration and Customs Enforcement. What international trader should find disturbing about this plot is the number of different links along the supply chain that were compromised, as the individuals indicted as co-conspirators include not just the importers of the bogus goods but freight forwarders, customs brokers, owners of a Customs bonded warehouse and a manager of a Customs exam site. It shows how organized these activities can be.

So what steps can a company take to help safeguard its valuable intellectual property? The following steps should be considered:

1. Register all your trademarks and patents in all the countries in which you do business, plan to do business, or could conceivably do business – either selling or sourcing. The trademark laws are territorial, so merely filing in the US or the EU will not safeguard you in other countries. You can help prevent trademark pirates from beating you to the trademark office in a country you now decide to do business in by using foresight as to which markets you could potentially enter and registering your marks in those countries.
2. Register your trademarks and trade names with U.S. Customs and Border Protection (“CBP”). Many companies fail to take this easy and inexpensive step that can lead to government interdiction at the border. If counterfeit merchandise is seized, CBP will advise the rights holder of the names and addresses of the exporter, importer, and manufacturer, allowing the rights holder the possibility of taking additional steps directly against the offending party(ies).
3. Know your vendors and manufacturers. They are making your product, and you need to be sure that they are not making additional units of your merchandise on the side.
4. Be aggressive with the law. Many remedies exist, both in civil and criminal law, and at both the federal and state court levels. No violation is too small to warrant, at a minimum, a cease and desist letter. Report violations to law enforcement.
5. Identify websites, especially auction sites, selling counterfeit merchandise. Become familiar with the auction house policies allowing legitimate rights holders to identify themselves and to have the auction house remove offending auctions. For example, on EBay® this is called Verified Rights Owner Program; on Sell.com®, it is called the Rights Owner Compliance Systems.
6. Educate your employees on these issues so they understand the importance of protecting your company’s valuable rights.

If you have questions or comments about this article, then please feel free to contact me at [rvanarnam@barnesrichardson.com](mailto:rvanarnam@barnesrichardson.com) or at (212) 725-0200 ex. 126.