

U.S. Customs Procedures For Suspected
Counterfeit Imports:
Importer rights and remedies

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ERAI Executive Conference - Orlando, FL

US CUSTOMS PROCEDURES FOR SUSPECTED COUNTERFEIT IMPORTS:

- 1- US Customs & Border Protection (“CBP”), Part of the Department of Homeland Security (“DHS”)- **Counterfeit Imports are a Priority Trade Issue for the Agency**
- 2- CBP has authority to detain and seize “counterfeit” trademarked goods.
- 3- Difference between a “detention” and a “seizure.”

SOME IMPORT BASICS:

- 1- Who is the “importer of record?”- of critical importance to 1) determine direct liability to the US government for problems, and 2) determine who has direct access to Customs actions.
- 2- The Express Consignment Process- Problem- The carrier (FedEx or UPS) will be between the real importer and Customs.
- 3- No Constitutional right to import- search and seizure protections extremely limited.

HOW CAN YOU IMPORT A COMPONENT WITH SOMEONE ELSE'S TRADEMARK ON IT? ISN'T THAT ILLEGAL?

- 1- The difference between “counterfeits,” “simulations” and “gray goods.”
- 2- Counterfeits- always illegal. (But, if registered TM not recorded with CBP, will usually be admitted.
- 3- Simulations- may be conformed to be lawful.
- 4- Gray goods (Parallel imports)- usually, but not always, legal to import.

THE CUSTOMS TRADEMARK RECORDATION PROCESS

- 1- The difference between registration of a trademark and Customs recordation of that mark.
- 2- CBP focuses its enforcement efforts on TM's that have been “recorded” with the agency.
- 3- There is a publicly available record of all recorded TM's.

THE CUSTOMS RULES FOR SUSPECTED COUNTERFEIT IMPORTS:

- Definition: “A counterfeit is a spurious mark that is identical with, or substantially indistinguishable from, a mark registered on the Principal Register of the U.S. Patent and Trademark Office.”
- 1- CBP may detain any article (of domestic or foreign manufacture) presented for importation bearing a suspected counterfeit mark that is registered with the U.S. Patent and Trademark Office and also recorded with CBP.
- 2- CBP must notify the importer in writing within 5 days (excluding weekends and holidays) of the decision to detain.
- 3- The importer then has 7 days to present information to CBP that the mark is genuine.
- 3- CBP may then disclose specific information about the suspected counterfeit to the TM owner.

MORE RULES ON COUNTERFEITS:

- 4- At any time after presentation of the entry, CBP may release a sample of the item to the TM owner, provided the TM owner posts a bond for the return of the merchandise.
- 5- Notwithstanding the above procedures, CBP may, at any time after presentation of the merchandise for import, determine that the item is counterfeit, seize the item and forfeit it according to law.
- 6- If, at any time, the owner of the TM provides written consent to the importation, the item will be released to the importer of record.

RECOMMENDATIONS (SUSPECTED COUNTERFEITS):

- 1- Before ordering TM component(s), check the CBP website for TM recordation. CBP is far less likely to be looking for counterfeits of unrecorded marks and the agency is generally uninterested in spending time detaining these goods.
- 2- As soon as you know goods are detained, contact CBP.
- 3- Waive the 7 day period if you have no way to prove the goods are genuine, and ask CBP to expedite review by the TM owner.
- 4- Try to get the written consent of the TM owner to permit import. If your supplier is a TM licensee, they may be able to enlist the aid of the TM owner.

GRAY MARKET GOODS:

- 1- Genuine goods imported by a party not specifically authorized by the U.S. TM owner.
- 2- Generally, the components imported by independent distributors (ERAI members) are gray market goods (also referred to as parallel goods.)
- 3- If the U.S. TM owner has not recorded its mark with Customs, genuine goods are entitled to entry into the U.S. (i.e., not subject to detention and seizure.)

RECOMMENDATIONS (GRAY MARKET PROBLEMS):

- 1- Check the CBP website to determine the TM recordation status of the component(s) you plan to import.
- 2- If the TM has not been recorded with CBP, you are free to import unless the item bears a counterfeit mark.
- 3- Note that if your component is materially different from the authorized product, even though genuine, you may have to indicate that difference on the label.

FURTHER RECOMMENDATIONS (GRAY MARKET):

- 1- Important- if the TM is recorded with CBP by a U.S. company, it may be illegal to import even genuine goods bearing this mark.
- 2- The TM recordation published on the CBP website will note whether or not gray market imports are restricted- example- Casio- NO; Rolex- YES.
- 3- If YES (gray market restricted) you may need authorization from the TM owner to import even genuine merchandise.

THE CUSTOMS TIME PERIODS FOR SUSPECTED COUNTERFEITS:

- 1- Customs is required by statute to make a decision on whether or not to detain merchandise within 5 days from presentation of the goods for examination.
- 2- However, once a decision to detain is made by Customs, the detention period runs 30 days from the time the entry was originally presented to Customs.
- 3- The importer may request an extension of an additional 30 days detention for good cause.

MORE TIME FRAMES:

- 1- The importer may protest the “exclusion” of the merchandise once the detention period has run, but the goods have not been seized. The importer can challenge the denial of its protest in the Court of International Trade.
- 2- Again, Customs may “seize” the merchandise at any time during this process, and proceed to forfeiture proceedings.
- 3- Customs does not always strictly follow these time frames, particularly with respect to suspected counterfeit electronic components.

HOW CAN THE PROCESS FOR DETERMINING ADMISSIBILITY BY CUSTOMS BE SPEEDED UP?

- 1- Importer waiver of 7-day waiting period as soon as Notice of Detention is received.
- 2- Contact supplier and TM owner to try to get written permission.
- 3- Check Customs website to view TM owner recordation.

U.S. Customs and Border Protection



U.S. Customs and Border Protection
Securing America's Borders

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Effective Date: 10/25/2011

Expiration Date: 6/15/2021

Trademark

Customs Recordation Number: TMK 05-00724

Title	INTEL
Product	IC 009 : INTEGRATED CIRCUITS, REGISTERS, AND SEMICONDUCTOR MEMORIES.
Description	WORD MARK IN STYLIZED FORM, INTEL - DROPPED "E" STYLIZED
Owner Name	INTEL CORPORATION
Gray Market Importations Restricted	NO
U.S. Patent and Trademark Office Registration Number	914978
Firm	[N/A]
Contact Name	CLIFFORD ANDERSON 4500 DOBSON ROAD, MS:0C4-35 CHANDLER, AZ 85248
Phone Number	480-715-8863

Questions?



Thank You!

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