



Global Trends and Customs:

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

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Introduction

Many companies mistakenly believe that registering a trademark or copyright with the U.S. Government provides the same protection and remedies as recording those materials with U.S. Customs. The processes achieve two different goals. The reason to register a trademark or copyright with the United States Patent and Trademark Office (USPTO) is to give the 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 U.S. Customs to prevent the unauthorized importation of merchandise which bears a recorded trademark or copyright. U.S. Customs prevents counterfeit products from entering or exiting the United States when registered trademark or copyright holders record their trademarks or copyrights with U.S. Customs.

When a trademark or copyright is recorded with U.S. Customs, infringing merchandise may easily be detected by U.S. Customs at all 317 official ports of entry across the country. Once a trademark or copyright is recorded with U.S. Customs, the owner's information is entered into an electronic database accessible to over 40,000 U.S. Customs officers in the United States and overseas. 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. To make sure a trademark or copyright is properly recorded with U.S. Customs, consider consulting an attorney who is familiar with the process.

Advantages to Recording a Trademark or Copyright with U.S. Customs

The first and most obvious advantage to recording a trademark or copyright with U.S. Customs, is that U.S. Customs will monitor and seize infringing merchandise at

the ports of entry so that the trademark or copyright holder does not have to locate and prosecute every unauthorized importer, distributor, retailer illegally using its trademark or copyright. In 2005, U.S. Customs seized over \$93 million worth of merchandise which infringed Intellectual Property Rights (IPR). Clothing, handbags and footwear comprised over forty percent of the total merchandise seized, accounting for over \$39 million worth of merchandise. Counterfeit pharmaceuticals, cigarettes, toys, and consumer electronics were a close second, accounting for thirty nine percent of the seized merchandise, worth over \$27 million. At the midpoint of 2006, the U.S. Department of Homeland Security already seized almost 6,000 shipments—up seventy two percent over the same period in 2005.

Second, U.S. Customs has the authority to issue monetary fines against anyone who facilitates the attempted introduction into the U.S. 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 this Act are subject to penalties of up to ten years imprisonment and/or a \$2,000,000 fine, while repeat offenders are subject to 20 years imprisonment and/or a fine up to \$5,000,000.

Fourth, 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.

U.S. Customs e-Recordation System

Trademark and copyright recordations may now be filed online with U.S. Customs' new Intellectual Property Rights e-Recordation (IPRR) online system. Before logging on to record a trademark or copyright, a trademark or copyright holder should be extremely knowledgeable with the Customs regulations found in 19 CFR Part 133, and the specific questions that will be asked on the application. Otherwise, consider consulting an experienced Customs attorney already familiar with the process.

The following is a checklist of the information you should have on hand before submitting your electronic trademark or copyright application.

- Description of trademark or copyright registered with the U.S. Patent & Trademark Office
- U.S. Patent & Trademark 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

- Name(s) 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 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 a genuine trademark or trade name identical with, or substantially indistinguishable from, one owned and recorded by a citizen of the United States or a corporation or association created or organized within the United States which are imported without the authorization of 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. ■

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