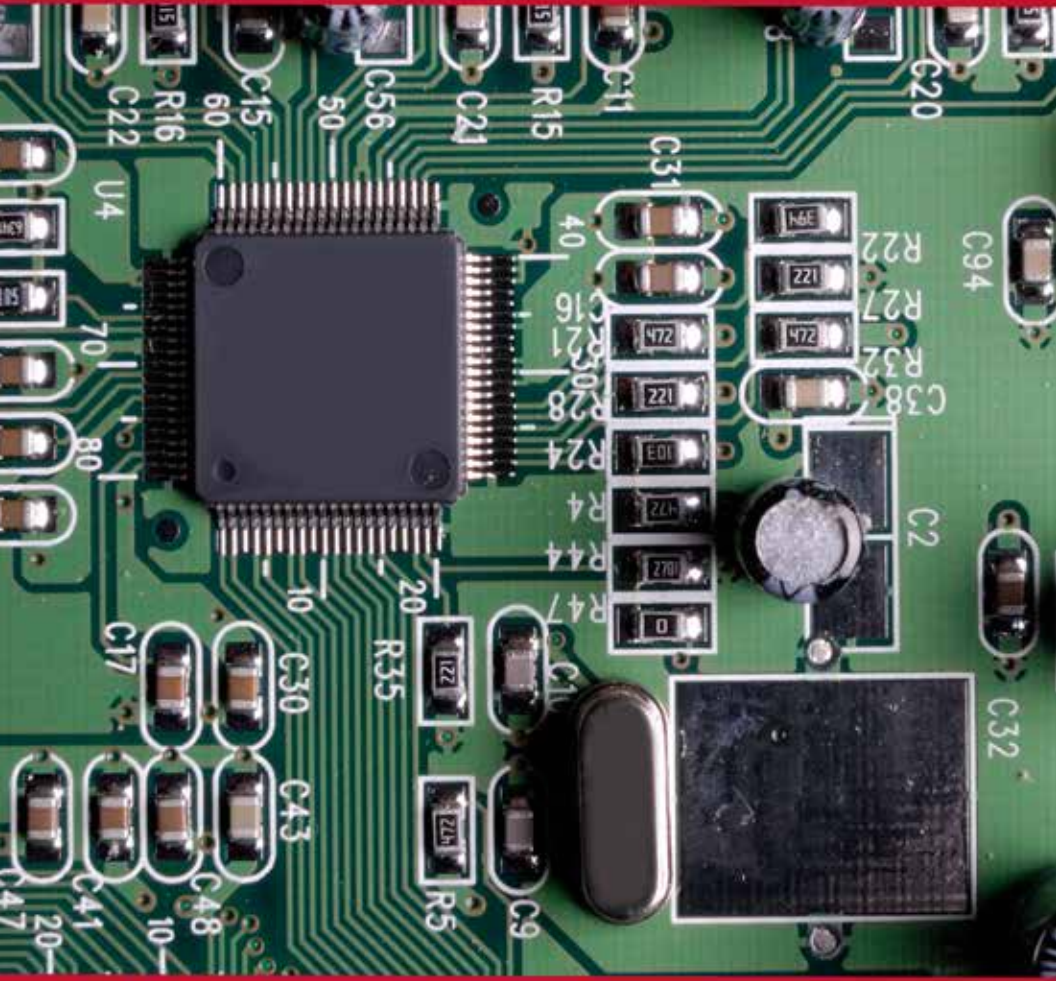


INTELLECTUAL PROPERTY RIGHTS

Fiscal Year 2014 Seizure Statistics



Prepared by

U.S. Customs and Border Protection
Office of International Trade



**Homeland
Security**



INTELLECTUAL PROPERTY RIGHTS

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Homeland
Security



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Disclaimer: The information contained in this report does not constitute the official trade statistics of the United States. The statistics, and the projections based upon those statistics, are not intended to be used for economic analysis, and are provided for the purpose of establishing U.S. Department of Homeland Security workload.

EXECUTIVE SUMMARY

Products that infringe on U.S. trademarks, copyrights, and patents threaten the health and safety of American consumers, our economy, and our national security. U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) continued Intellectual Property Rights (IPR) enforcement against these illicit imports mitigates the financial and welfare risk.

In Fiscal Year (FY) 2014 the number of IPR seizures decreased nearly 5% to 23,140 from 24,361 in FY 2013. The manufacturer's suggested retail price (MSRP) of the goods had they been genuine decreased 30% to \$1,226,347,540.

Tactical interagency collaboration with the HSI-led National Intellectual Property Rights Coordination Center (IPR Center) resulted in 683 arrests, with 454 indictments and 461 convictions.

Each year, more than 11 million maritime containers arrive at our seaports. At land borders, another 10 million arrive by truck and 3 million enter by rail. Through air travel arrives an additional quarter billion more cargo, postal and express consignment packages. The agencies within the Department of Homeland Security remain vigilant in targeting shipments posing a risk to the American people.



YEAR IN REVIEW

Ensuring the protection of the health and safety of consumers, CBP and ICE - HSI, identified and acted upon the significant development of counterfeit water filtration parts being sold to unknowing American users. FY 2014 efforts resulted in more than 32,000 water filtration articles being intercepted.

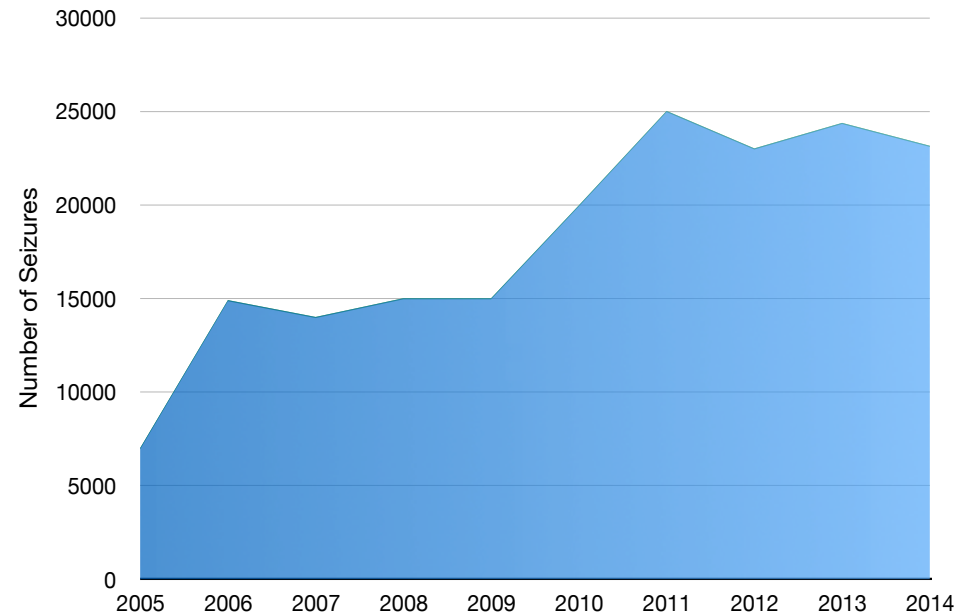
There was an increase in both the number and value of auto parts seizures. The number of auto part seizures increased by more than 83% from 118 seizures in FY 2013 to 216 in FY 2014, and the total MSRP increased 66% from \$4.1 million in FY 2013 to \$6.8 million in FY 2014. These additional seizures included a greater diversity of auto parts seized as compared to previous fiscal years, e.g., fuel injectors, rearview mirrors, gauges, valves, motor oil, and tachometers.

Continuing on the success of Operation Home Plate I and II, which were conducted in FY 2013, Operation Home Plate III, which focused on major sports league apparel, resulted in 436 seizures totaling \$2.6 million in MSRP.

Operation BeatsBody, focusing on consumer electronics as well as integrated circuits resulted in 234 seizures totaling \$1.5 million in MSRP.

In addition, 144 shipments of circumvention devices were seized for violation of the Digital Millennium Copyright Act (DMCA).

10 Year Seizure Totals



An increased enforcement focus on semiconductors and the safety and security risks they present resulted in a 5% increase in seizures from FY 2013 to FY 2014.

Watches and jewelry overtook handbags and wallets as the largest product classification by value. Due to increased outreach and education, battery seizures increased 64% from 221 in FY 2013 to 362 in FY 2014.

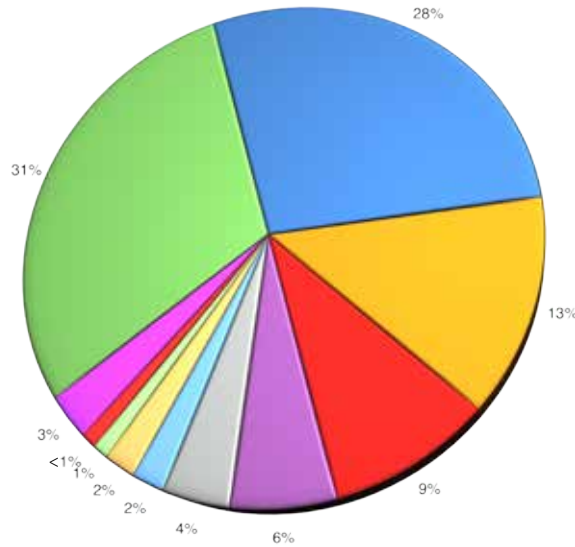
Wearing apparel and accessories, as a category, continues to be the number one commodity classification based on number of seizures.

In FY 2014, Canada moved into the Top 3 in seized products by MSRP value and into the Top 5 by total number of seizures.

TOP COMMODITIES MSRP

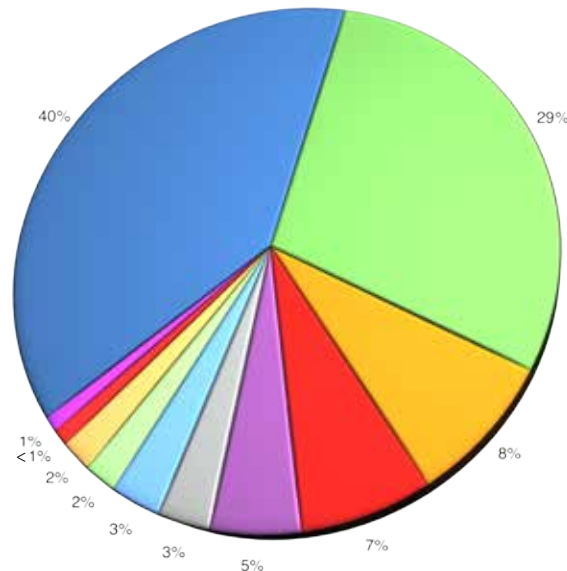
Fiscal Year 2014

- Watches/Jewelry
- Handbags/Wallets
- Consumer Electronics
- Wearing Apparel/Accessories
- Pharmaceuticals/Personal Care
- Footwear
- Computers/Accessories
- Optical Media
- Labels/Tags
- Toys
- All Other Commodities



Fiscal Year 2013

- Handbags/Wallets
- Watches/Jewelry
- Consumer Electronics
- Wearing Apparel/Accessories
- Pharmaceuticals/Personal Care
- Footwear
- Computers/Accessories
- Labels/Tags
- Optical Media
- Toys
- All Other Commodities



FY 2014 Commodity	Estimated MSRP	Percent of Total*
Watches/Jewelry	\$ 375,397,333	31%
Handbags/Wallets	\$ 342,031,595	28%
Consumer Electronics/Parts	\$ 162,209,441	13%
Wearing Apparel/Accessories	\$ 113,686,295	9%
Pharmaceuticals/Personal Care	\$ 72,939,399	6%
Footwear	\$ 49,522,859	4%
Computers/Accessories	\$ 26,652,422	2%
Optical Media	\$ 18,780,989	2%
Labels/Tags	\$ 17,675,452	1%
Toys	\$ 8,178,351	Less than 1%
All Other Commodities	\$ 39,273,404	3%

Total FY 2014 MSRP \$ 1,226,347,540

Number of Seizures 23,140

FY 2013 Commodity	Estimated MSRP	Percent of Total*
Handbags/Wallets	\$ 700,177,456	40%
Watches/Jewelry	\$ 502,836,275	29%
Consumer Electronics/Parts	\$ 145,866,526	8%
Wearing Apparel/Accessories	\$ 116,150,041	7%
Pharmaceuticals/Personal Care	\$ 79,636,801	5%
Footwear	\$ 54,886,032	3%
Computers/Accessories	\$ 47,731,513	3%
Labels/Tags	\$ 41,768,528	2%
Optical Media	\$ 26,830,902	2%
Toys	\$ 8,794,285	Less than 1%
All Other Commodities	\$ 18,837,223	1%

Total FY 2013 MSRP \$ 1,743,515,581

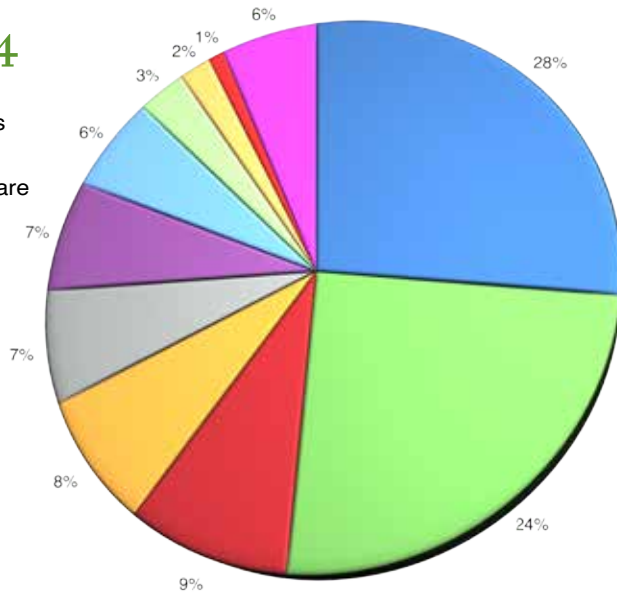
Number of Seizures 24,361

*A small number of seizures are included in multiple categories

NUMBER OF SEIZURES BY PRODUCT

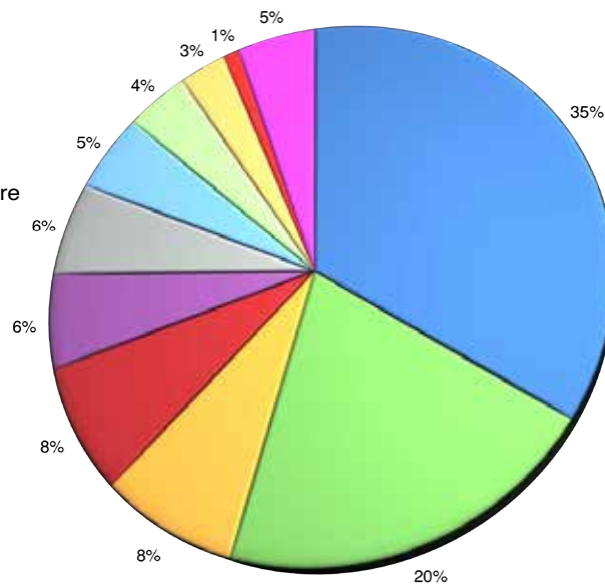
Fiscal Year 2014

- Wearing Apparel/Accessories
- Consumer Electronics
- Pharmaceuticals/Personal Care
- Handbags/Wallets
- Footwear
- Watches/Jewelry
- Optical Media
- Computers/Accessories
- Labels/Tags
- Toys
- All Other Commodities



Fiscal Year 2013

- Wearing Apparel/Accessories
- Consumer Electronics
- Handbags/Wallets
- Pharmaceuticals/Personal Care
- Watches/Jewelry
- Footwear
- Optical Media
- Computers/Accessories
- Labels/Tags
- Sporting Goods
- All Other Commodities



FY 2014 Product	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	7,922	28%
Consumer Electronics	6,610	24%
Pharmaceuticals/Personal Care	2,417	9%
Handbags/Wallets	2,221	8%
Footwear	1,961	7%
Watches/Jewelry	1,937	7%
Optical Media	1,552	6%
Computers/Accessories	906	3%
Labels/Tags	540	2%
Toys	303	1%
All Other Commodities	1,723	6%

Number of Seizures **28,092***

FY 2013 Product	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	9,894	35%
Consumer Electronics	5,656	20%
Handbags/Wallets	2,223	8%
Pharmaceuticals/Personal Care	2,215	8%
Watches/Jewelry	1,729	6%
Footwear	1,683	6%
Optical Media	1,409	5%
Computers/Accessories	1,062	4%
Labels/Tags	788	3%
Sporting Goods	266	Less than 1%
All Other Commodities	1,287	5%

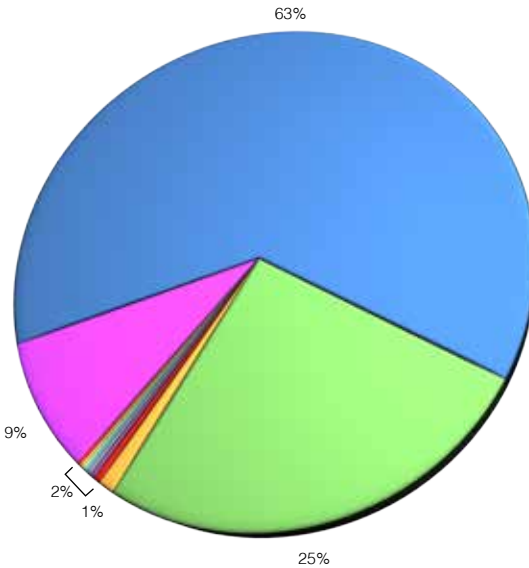
Number of Seizures **28,212***

*A small number of seizures are included in multiple categories

TOTAL MSRP SEIZED BY SOURCE ECONOMY

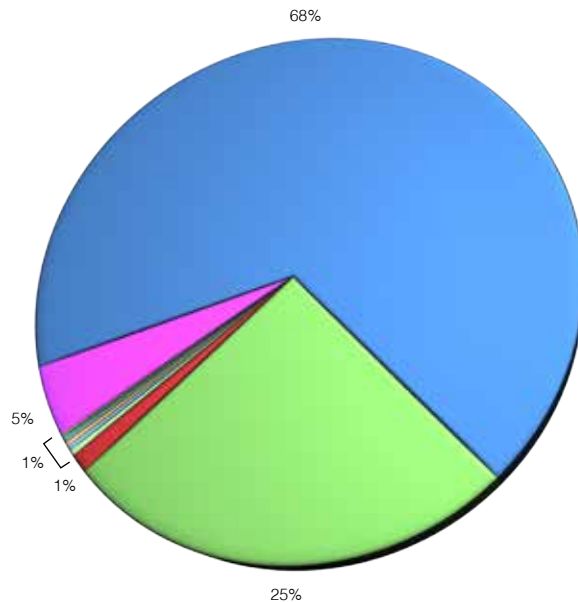
Fiscal Year 2014

- China
- Hong Kong
- Canada
- India
- United Arab Emirates
- Taiwan
- Singapore
- Korea
- Vietnam
- Kenya
- All Other Economies



Fiscal Year 2013

- China
- Hong Kong
- India
- Korea
- Singapore
- Vietnam
- Taiwan
- Great Britain
- Bangladesh
- Pakistan
- All Other Economies



FY 2014 Source Economy	Estimated MSRP	Percent of Total
China	\$ 772,629,008	63%
Hong Kong	\$ 310,437,365	25%
Canada	\$ 12,460,242	1%
India	\$ 5,540,652	Less than 1%
United Arab Emirates	\$ 3,791,268	Less than 1%
Taiwan	\$ 3,081,838	Less than 1%
Singapore	\$ 2,538,079	Less than 1%
Korea	\$ 2,514,596	Less than 1%
Vietnam	\$ 2,422,050	Less than 1%
Kenya	\$ 2,292,982	Less than 1%
All Others	\$ 108,639,461	9%

Total FY 2014 MSRP \$ **1,226,347,540**

Number of Seizures **23,140**

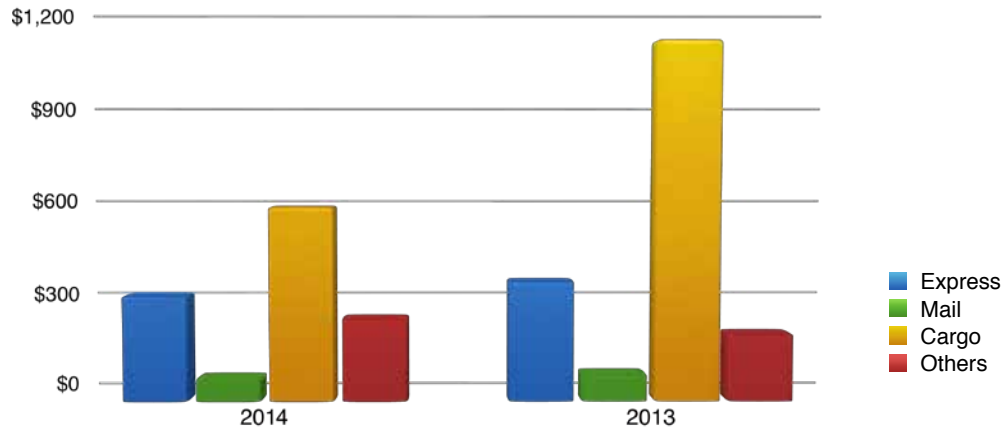
FY 2013 Source Economy	Estimated MSRP	Percent of Total
China	\$ 1,180,919,064	68%
Hong Kong	\$ 437,538,041	25%
India	\$ 20,683,669	1%
Korea	\$ 6,308,434	Less than 1%
Singapore	\$ 5,065,398	Less than 1%
Vietnam	\$ 4,406,367	Less than 1%
Taiwan	\$ 3,975,422	Less than 1%
Great Britain	\$ 2,421,034	Less than 1%
Bangladesh	\$ 1,914,318	Less than 1%
Pakistan	\$ 1,335,728	Less than 1%
All Others	\$ 78,948,105	5%

Total FY 2013 MSRP \$ **1,743,515,581**

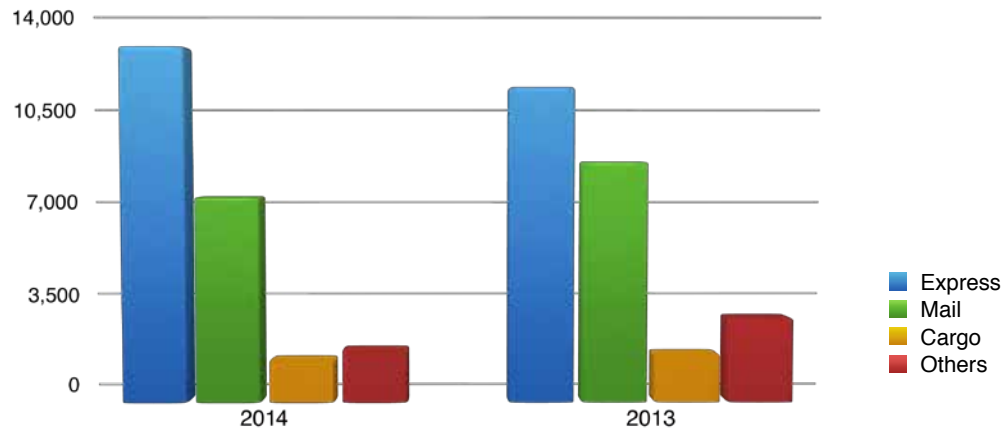
Number of Seizures **24,361**

SEIZURES BY SHIPPING ENVIRONMENT

MSRP of IPR Seizures (in millions)



Number of IPR Seizures



Manufacturer's Suggested Retail Price (in millions)

FY	Express	Mail	Cargo	Other	Total
2013	\$364.60	\$76.50	\$1,100.00	\$202.40	\$1,743.50
2014	\$319.90	\$64.10	\$592.50	\$249.70	\$1,226.20

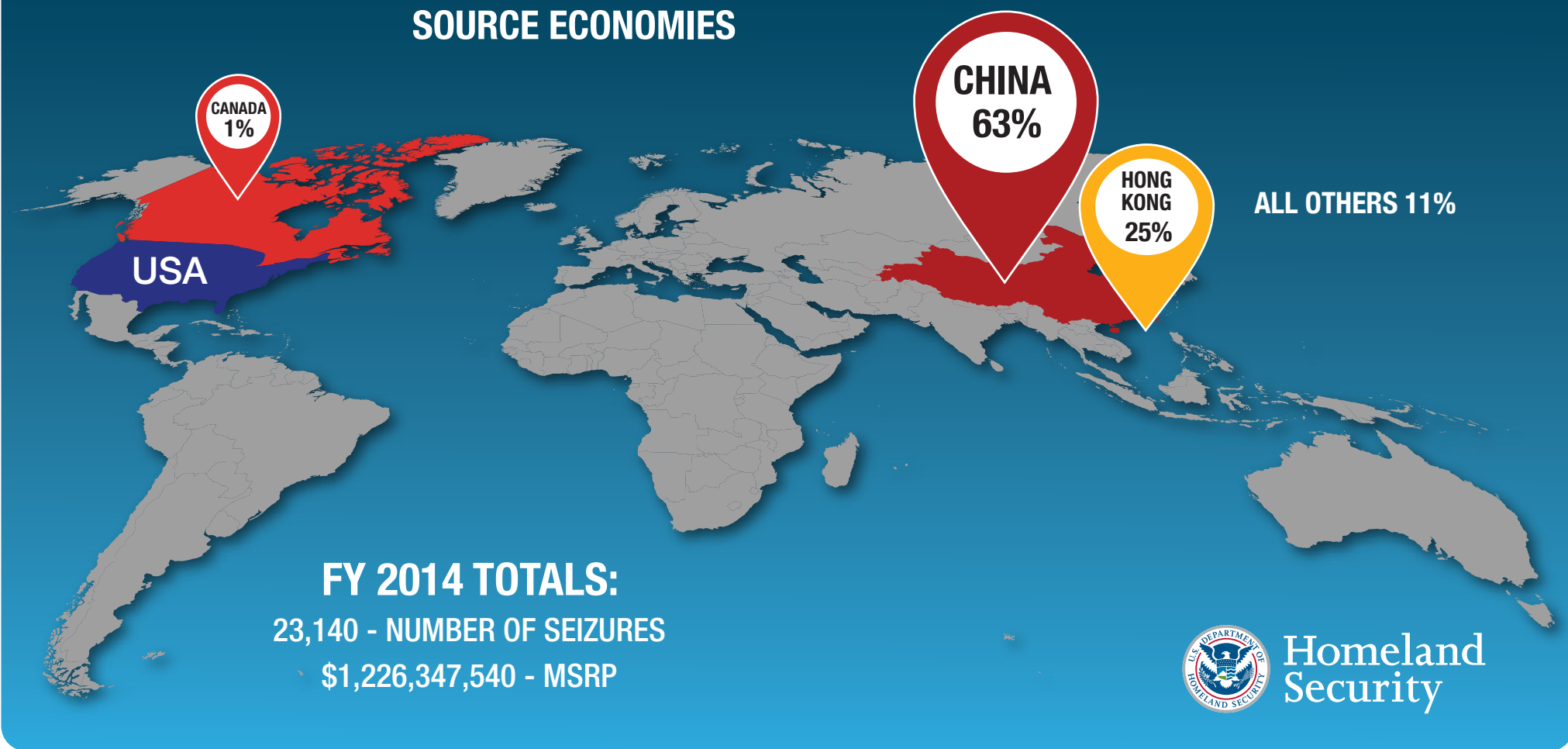
Number of Seizures

FY	Express	Mail	Cargo	Other	Total
2013	11,196	8,558	1,654	2,953	24,361
2014	12,623	7,300	1,423	1,794	23,140

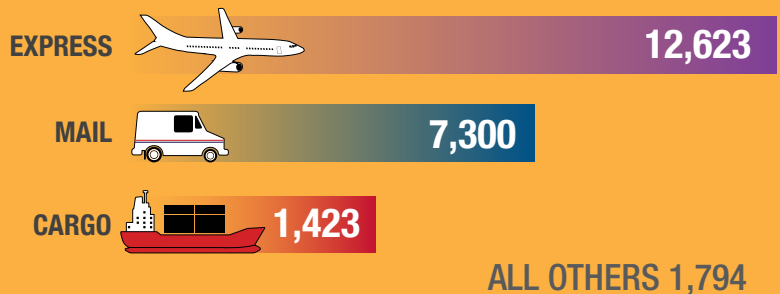
In any given year, approximately ten percent of all seizures cannot be categorized as express, mail or cargo. The other seizures represent investigations by HSI, exports, passenger baggage, or other enforcement actions.

FISCAL YEAR 2014 IPR SEIZURE STATISTICS

SOURCE ECONOMIES



SHIPPING ENVIRONMENT BY NUMBER OF SEIZURES



TOP COMMODITIES SEIZED BY NUMBER OF SEIZURES





CARLISLE
LEADING INTERNATIONAL



DRYU 205402
22G1
MAX. GROSS 30.480 KGS
67.200 LBS
TARE 2.200 KGS
4.850 LBS
NET 28.280 KGS
62.350 LBS
CU. CAP.

Statistical Appendix

CBP

POLICE
HSI

EP
K
4

FY 2014 Health and Safety	Estimated MSRP	Percent of Total
Pharmaceutical/Personal Care	\$ 70,423,632	56%
Consumer Electronics/Parts	\$ 17,329,534	14%
Batteries	\$ 11,804,570	9%
Critical Technology Components	\$ 7,974,432	6%
Automotive	\$ 5,651,979	4%
Cigarettes	\$ 3,586,160	3%
Ball Bearings	\$ 2,843,654	2%
Knives	\$ 2,004,330	2%
Pet Care	\$ 1,196,429	1%
Water Filters	\$ 1,189,132	Less than 1%
All Others	\$ 1,602,330	Less than 1%
Total FY 2014 Est. MSRP	\$ 125,606,182	
Number of Seizures	3,744	

FY 2014 Health and Safety	Number of Seizures	Percent of Total
Pharmaceutical/Personal Care	2,334	61%
Batteries	362	10%
Consumer Electronics/Parts	327	9%
Critical Technology Components	319	8%
Automotive	146	4%
Sporting Goods/Gun Parts	107	3%
Ball Bearings	93	2%
Water Filters	28	Less than 1%
Knives	20	Less than 1%
All Others	64	Less than 1%
Number of Seizures	3,800*	

*A small number of seizures are included in multiple categories

FY 2013 Health and Safety	Estimated MSRP	Percent of Total
Pharmaceuticals/Personal Care	\$ 78,612,762	57%
Consumer Electronics/Parts	\$ 21,560,471	16%
Critical Technology Components	\$ 17,328,205	13%
Batteries	\$ 8,020,268	6%
Ball Bearings	\$ 3,391,819	2%
Sporting Goods	\$ 2,873,353	2%
Automotive	\$ 2,077,103	2%
Cigarettes	\$ 1,499,001	1%
Chemicals	\$ 689,400	Less than 1%
Knives	\$ 469,020	Less than 1%
All Others	\$ 625,549	Less than 1%
Total FY 2013 Est. MSRP	\$ 137,146,951	
Number of Seizures	3,622	

FY 2013 Health and Safety	Number of Seizures	Percent of Total
Pharmaceuticals/Personal Care	2,183	60%
Critical Technology Components	429	12%
Consumer Electronics/Parts	367	10%
Batteries	220	6%
Sporting Goods	174	5%
Ball Bearings	111	3%
Automotive	84	2%
Cigarettes	25	Less than 1%
Baby Equipment	13	Less than 1%
Food	9	Less than 1%
All Others	43	1%
Number of Seizures	3,658*	

*A small number of seizures are included in multiple categories

FY 2014 Source Economy	Estimated MSRP	Percent of Total
China	\$ 772,629,008	63%
Hong Kong	\$ 310,437,365	25%
Canada	\$ 12,460,242	1%
India	\$ 5,540,652	Less than 1%
United Arab Emirates	\$ 3,791,268	Less than 1%
Taiwan	\$ 3,081,838	Less than 1%
Singapore	\$ 2,538,079	Less than 1%
Korea	\$ 2,514,596	Less than 1%
Vietnam	\$ 2,422,050	Less than 1%
Kenya	\$ 2,292,982	Less than 1%
All Others	\$ 108,639,461	9%
Total FY 2014 Est. MSRP	\$ 1,226,347,540	
Number of Seizures	23,140	

FY 2014 Source Economy	Number of Seizures	Percent of Total
China	10,520	45%
Hong Kong	8,683	37%
Singapore	482	2%
Turkey	447	2%
Canada	337	1%
All Other Countries	2,709	12%
Number of Seizures	23,178**	

** Seizures may contain goods from multiple trading partners.

FY 2013 Source Economy	Estimated MSRP	Percent of Total
China	\$ 1,180,919,064	68%
Hong Kong	\$ 437,538,041	25%
India	\$ 20,683,669	1%
Korea	\$ 6,308,434	Less than 1%
Singapore	\$ 5,065,398	Less than 1%
Vietnam	\$ 4,406,367	Less than 1%
Taiwan	\$ 3,975,422	Less than 1%
Great Britain	\$ 2,421,034	Less than 1%
Bangladesh	\$ 1,914,318	Less than 1%
Pakistan	\$ 1,335,728	Less than 1%
All Others	\$ 78,948,105	5%
Total FY 2013 Est. MSRP	\$ 1,743,515,581	
Number of Seizures	24,361	

FY 2013 Source Economy	Number of Seizures	Percent of Total
China	11,861	49%
Hong Kong	8,280	34%
Singapore	639	3%
Turkey	453	2%
India	380	2%
All Other Countries	2,779	11%
Number of Seizures	24,392**	

** Seizures may contain goods from multiple trading partners.

FY 2014 Top Five Source Economies by Estimated MSRP

1. China	Estimated MSRP	Percent of Total
Handbags/Wallets	\$ 289,334,152	37%
Watches/Parts	\$ 191,923,096	25%
Consumer Electronics	\$ 72,766,168	9%
Wearing Apparel/Accessories	\$ 72,191,968	9%
Footwear	\$ 44,692,273	6%
Pharmaceuticals/Personal Care	\$ 36,901,933	5%
Computers/Accessories	\$ 17,741,840	2%
Labels/Tags	\$ 10,810,806	1%
Blankets	\$ 7,562,898	1%
Automotive/Aerospace	\$ 5,722,589	Less than 1%
All Others	\$ 22,981,285	3%
Total FY 2014 Est. MSRP	\$ 772,629,008	
Number of Seizures	10,520	

2. Hong Kong	Estimated MSRP	Percent of Total
Watches/Parts	\$ 146,323,311	47%
Consumer Electronics	\$ 67,512,859	22%
Wearing Apparel/Accessories	\$ 29,250,684	9%
Handbags/Wallets	\$ 23,098,658	7%
Pharmaceuticals/Personal Care	\$ 19,579,093	6%
Computers/Accessories	\$ 7,559,348	2%
Labels/Tags	\$ 5,454,494	2%
Optical Media	\$ 5,430,529	2%
Footwear	\$ 2,279,093	Less than 1%
Packaging	\$ 791,039	Less than 1%
All Others	\$ 3,158,257	1%
Total FY 2014 Est. MSRP	\$ 310,437,365	
Number of Seizures	8,683	

3. Canada	Estimated MSRP	Percent of Total
Consumer Electronics	\$ 10,837,182	87%
Pharmaceuticals/Personal Care	\$ 1,083,027	9%
Computers/Accessories	\$ 300,743	2%
Optical Media	\$ 177,834	1%
All Others	\$ 61,456	Less than 1%
Total FY 2014 Est. MSRP	\$ 12,460,242	
Number of Seizures	337	

4. India	Estimated MSRP	Percent of Total
Pharmaceuticals/Personal Care	\$ 4,475,097	81%
NFL/NBA Trophies	\$ 653,160	12%
Carpet	\$ 113,850	2%
Wearing Apparel	\$ 110,875	2%
Handbags/Wallets	\$ 94,898	Less than 1%
All Others	\$ 92,772	Less than 1%
Total FY 2014 Est. MSRP	\$ 5,540,652	
Number of Seizures	317	

5. United Arab Emirates	Estimated MSRP	Percent of Total
Cigarettes	\$ 2,230,625	59%
Consumer Electronics	\$ 1,335,331	35%
Watches/Parts	\$ 155,950	4%
Batteries	\$ 38,974	1%
All Others	\$ 30,388	Less than 1%
Total FY 2014 Est. MSRP	\$ 3,791,268	
Number of Seizures	12	

FY 2014 Top Three Economies by Number of Seizures

1. China	Number of Seizures	Percent of Total
Wearing Apparel/Accessories	3,888	31%
Consumer Electronics/Parts	2,173	18%
Footwear	1,301	11%
Pharmaceuticals/Personal Care	1,061	9%
Handbags/Wallets	928	8%
Watches/Parts	900	7%
Computers/Accessories	459	4%
Optical Media	379	3%
Toys	197	2%
Labels/Tags	140	1%
All Others	918	7%
Number of Seizures	12,344*	

2. Hong Kong	Number of Seizures	Percent of Total
Consumer Electronics/Parts	3,371	35%
Wearing Apparel/Accessories	1,882	20%
Handbags/Wallets	828	9%
Optical Media	815	8%
Watches/Parts	544	6%
Pharmaceuticals/Personal Care	540	6%
Footwear	482	5%
Computers/Accessories	355	4%
Labels/Tags	319	3%
Packaging	170	2%
All Others	302	3%
Number of Seizures	9,608*	

3. Singapore	Number of Seizures	Percent of Total
Consumer Electronics/Parts	196	41%
Pharmaceuticals/Personal Care	136	28%
Watches/Parts	84	18%
Wearing Apparel/Accessories	22	5%
Footwear	17	4%
Handbags/Wallets	9	2%
All Others	14	3%
Number of Seizures	478*	

*A small number of seizures are included in multiple categories



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CBP Publication # 1134-0915