



Intellectual Property Rights

Fiscal Year 2013 Seizure Statistics

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



Homeland
Security



Intellectual Property Rights

Fiscal Year 2013 Seizure Statistics

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



Homeland
Security



Table of Contents

Executive Summary.....	2
Year in Review	4
Top Commodities Seized.....	6
Source Economies	10
Shipping Environments.....	12
IPR Seizure Statistics Infographic.....	14
Statistical Appendix.....	17

As the U.S. Department of Homeland Security (DHS) continues its trade transformation program to align the agency mission with the realities of modern business practices and trade in the 21st century, we have updated the way in which intellectual property rights enforcement is reported.

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 DHS priorities and 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) 2013 the number of IPR seizures increased nearly 7% to 24,361 from 22,848 in FY 2012. The manufacturer's suggested retail price (MSRP) of the goods had they been genuine, increased 38% to \$1,743,515,581.

Tactical interagency collaboration led by the National Intellectual Property Rights Coordination Center led to 693 arrests, 411 indictments, and 465 convictions for IPR crimes in FY 2013. Additionally, 1,413 domain names distributing counterfeit merchandise were seized, 35 exclusion order enforcement actions were completed and 20 shipments of circumvention devices were seized.

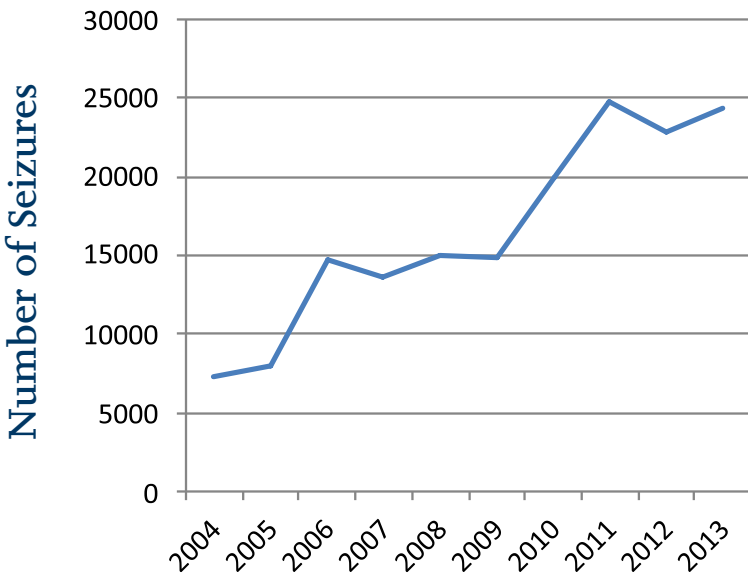
Each year, more than 11 million maritime containers arrive at our seaports. At land borders, another 10 million arrive by truck and 3 million by rail. Through air travel arrives an additional quarter billion more cargo, postal, and express consignment packages. The agencies within DHS remain vigilant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



Year in Review

- While the People’s Republic of China remains the primary source economy for counterfeit and pirated goods seized by DHS, with a total value of \$1.1 billion, representing 68% of all IPR seizures by MSRP in FY 2013, DHS also made seizures from 73 additional economies during FY 2013.
- For the first year since FY 2005, footwear seizures are now one of the top five commodities seized.
- Overall the watches/jewelry category increased 169% and represents the second largest commodity classification by value.
- Operation Red Zone focusing on professional sport apparel and souvenirs during the Super Bowl season yielded seizures valued at \$17.3 million MSRP. Overall sports jerseys made up almost 29% of all seized counterfeit shipments.

10 Year Seizure Totals

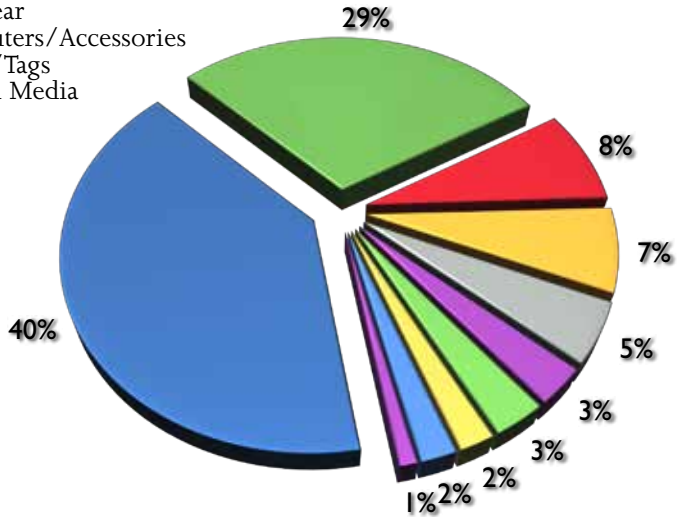


- CBP and China Customs performed the first ever joint IPR enforcement operation between the two agencies. The month-long operation resulted in 1,735 shipments being seized, removing more than 243,000 counterfeit consumer electronic products from entering commerce. Many of these counterfeit electronics lacked manufacturing standards.
- Operation Core Systems, an enforcement partnership with French Customs resulted in the seizure of 480 shipments of potentially harmful counterfeit electronic components. These faulty products not only create extra costs for businesses and individuals, but can also corrupt the computer networks of critical infrastructure systems and potentially jeopardize public safety.
- Operation Global Infrastructure focused on counterfeit critical electronic components used in information technology infrastructure systems resulting in 751 seizures valued at \$27.2 million MSRP.
- Operation Zero Tolerance focused on the express consignment environment and yielded \$43.3 million MSRP in seizure value.
- Operation Home Plate 1 and Operation Home Plate 2, two one-week operations focusing on major sports league apparel and accessories resulted in 292 seizures valued at \$2.4 million MSRP.

Top Commodities

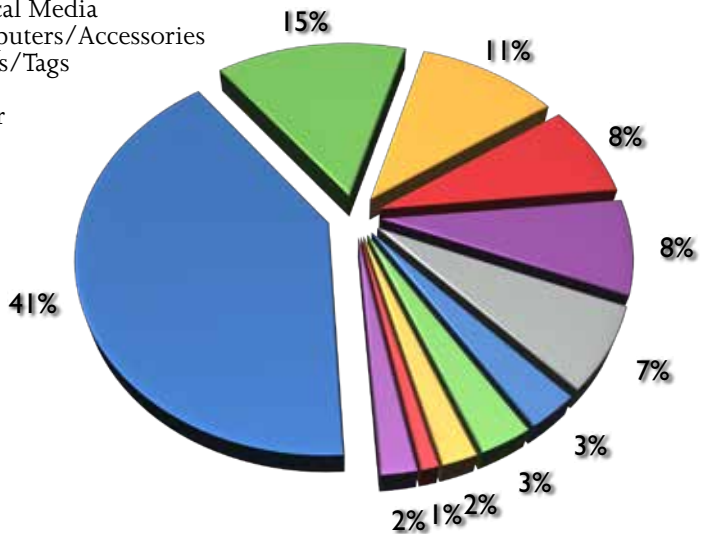
FY 2013 Seizures - MSRP Value

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



FY 2012 Seizures - MSRP Value

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



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	

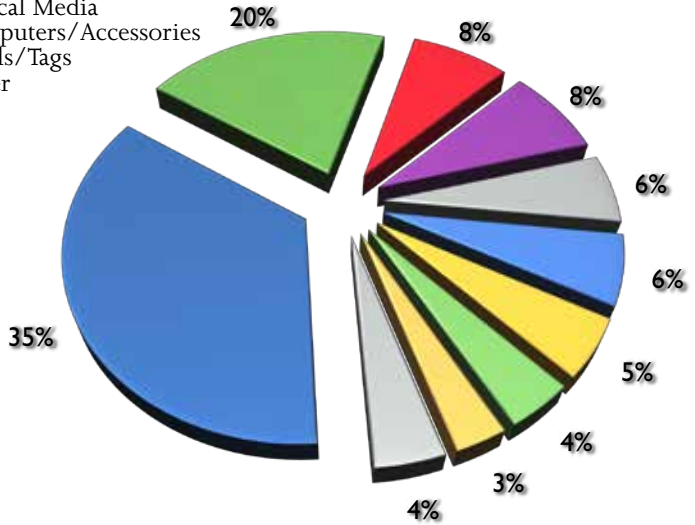
FY 2012 Commodity	Estimated MSRP	Percent of Total*
Handbags/Wallets	\$ 511,248,074	41%
Watches/Jewelry	\$ 186,990,133	15%
Wearing Apparel/Accessories	\$ 133,008,182	11%
Consumer Electronics/Parts	\$ 104,391,141	8%
Footwear	\$ 103,365,939	8%
Pharmaceuticals/Personal Care	\$ 82,997,515	7%
Optical Media	\$ 38,404,732	3%
Computers/Accessories	\$ 34,710,624	3%
Labels/Tags	\$ 26,282,098	2%
Toys	\$ 13,603,356	1%
All Other Commodities	\$ 27,200,685	2%
Total FY 2012 MSRP	\$ 1,262,202,478	
Number of Seizures	22,848	

* Seizures may contain more than one commodity

Top Commodities

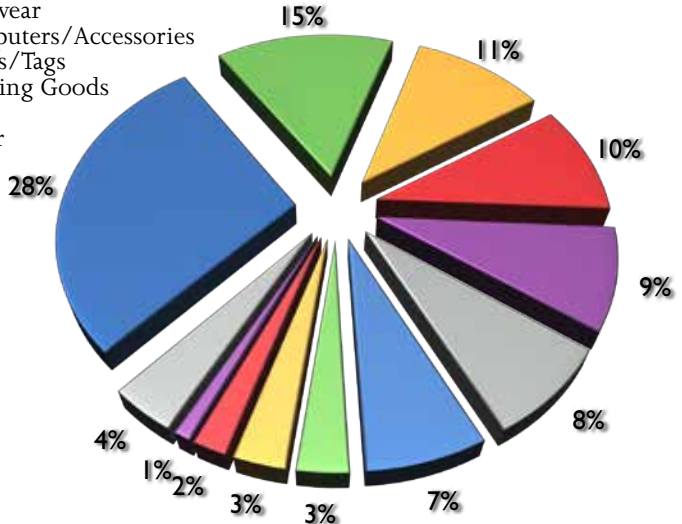
FY 2013 Number of Seizures

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



FY 2012 Number of Seizures

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



FY 2013 Commodity	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	<u>1,287</u>	5%
<i>Number of Seizures</i>	28,212*	

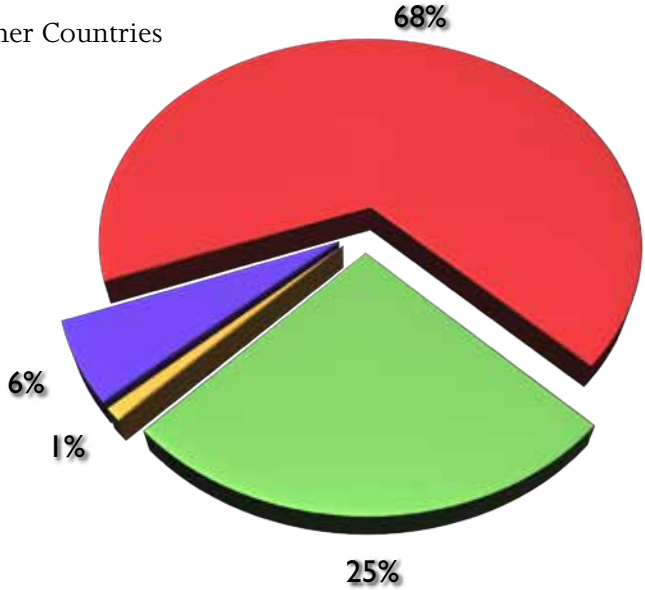
FY 2012 Commodity	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	7,805	29%
Consumer Electronics	3,928	15%
Optical Media	2,892	11%
Handbags/Wallets	2,678	10%
Pharmaceuticals/Personal Care	2,350	9%
Watches/Jewelry	2,197	8%
Footwear	1,897	7%
Computers/Accessories	833	3%
Labels/Tags	796	3%
Sporting Goods	496	2%
All Other Commodities	1,195	4%
<i>Number of Seizures</i>	27,067*	

* Seizures may contain more than one commodity

Source Economies

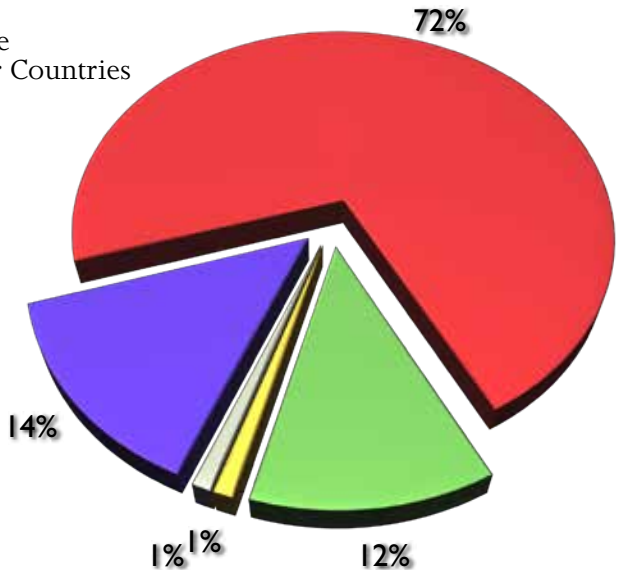
Based on MSRP Values 2013

- China
- Hong Kong
- India
- All Other Countries



Based on MSRP Values 2012

- China
- Hong Kong
- India
- Singapore
- All Other Countries

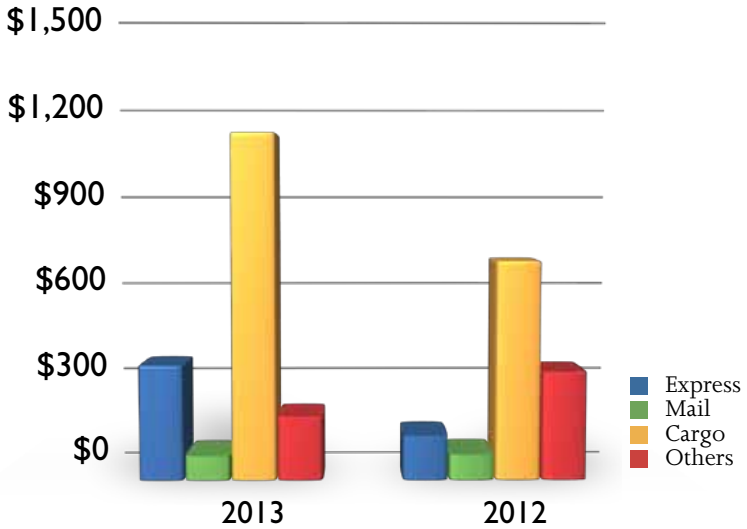


FY 2013		Estimated	Percent
Trading Partner		MSRP	of Total
China	\$	1,180,919,064	68%
Hong Kong	\$	437,538,041	25%
India	\$	20,683,669	1%
Korea	\$	6,308,434	Less than 1%
Singapore	\$	5,065,398	Less than 1%
Vietnam	\$	4,406,367	Less than 1%
Taiwan	\$	3,975,422	Less than 1%
Great Britian	\$	2,421,034	Less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

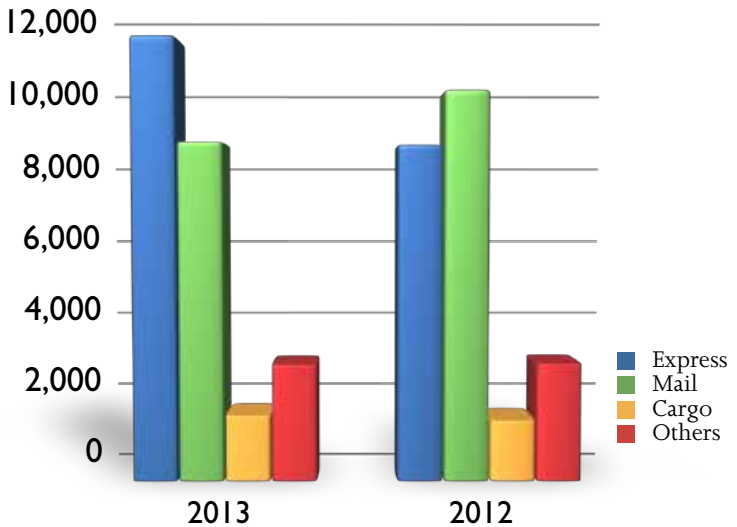
FY 2012		Estimated	Percent
Trading Partner		MSRP	of Total
China	\$	906,206,684	72%
Hong Kong	\$	156,337,345	12%
Singapore	\$	9,385,173	1%
India	\$	7,020,939	1%
Taiwan	\$	4,500,610	Less than 1%
Canada	\$	4,236,359	Less than 1%
France	\$	4,221,443	Less than 1%
Peru	\$	2,760,392	Less than 1%
Mexico	\$	2,673,976	Less than 1%
Germany	\$	2,280,520	Less than 1%
All Other Countries	\$	162,579,037	13%
<hr/>			
Total FY 2012 Est. MSRP	\$	1,262,202,478	
Number of Seizures		22,848	

Shipping Environments

MSRP of IPR Seizures (in millions)



Number of IPR Seizures



MSRP of IPR Seizures (in millions)

FY	Express	Mail	Cargo	Other	Total
2012	\$ 140.5	\$ 80.2	\$ 696.4	\$ 345.2	\$ 1,262.2
2013	\$ 364.6	\$ 76.5	\$ 1,100.0	\$ 202.4	\$ 1,743.5
Difference	\$ 224.1	\$ (3.7)	\$ 403.6	\$ (142.8)	\$ 481.3

Number of IPR Seizures

FY	Express	Mail	Cargo	Other	Total
2012	8,490	9,852	1,526	2,980	22,848
2013	11,196	8,558	1,654	2,953	24,361
Difference	2,706	(1,294)	128	(27)	1,513

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

SHIPPING ENVIRONMENTS

FISCAL YEAR



FY 2013 TOTALS:

24,361 - NUMBER OF SEIZURES

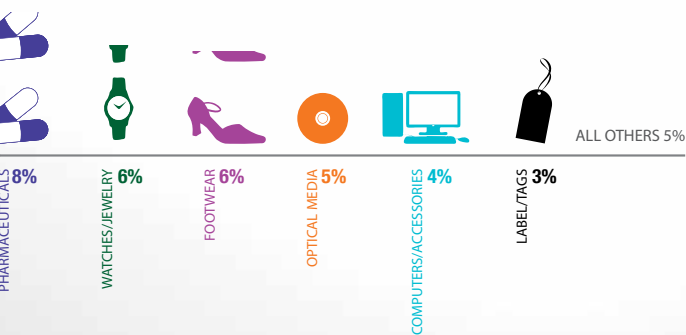
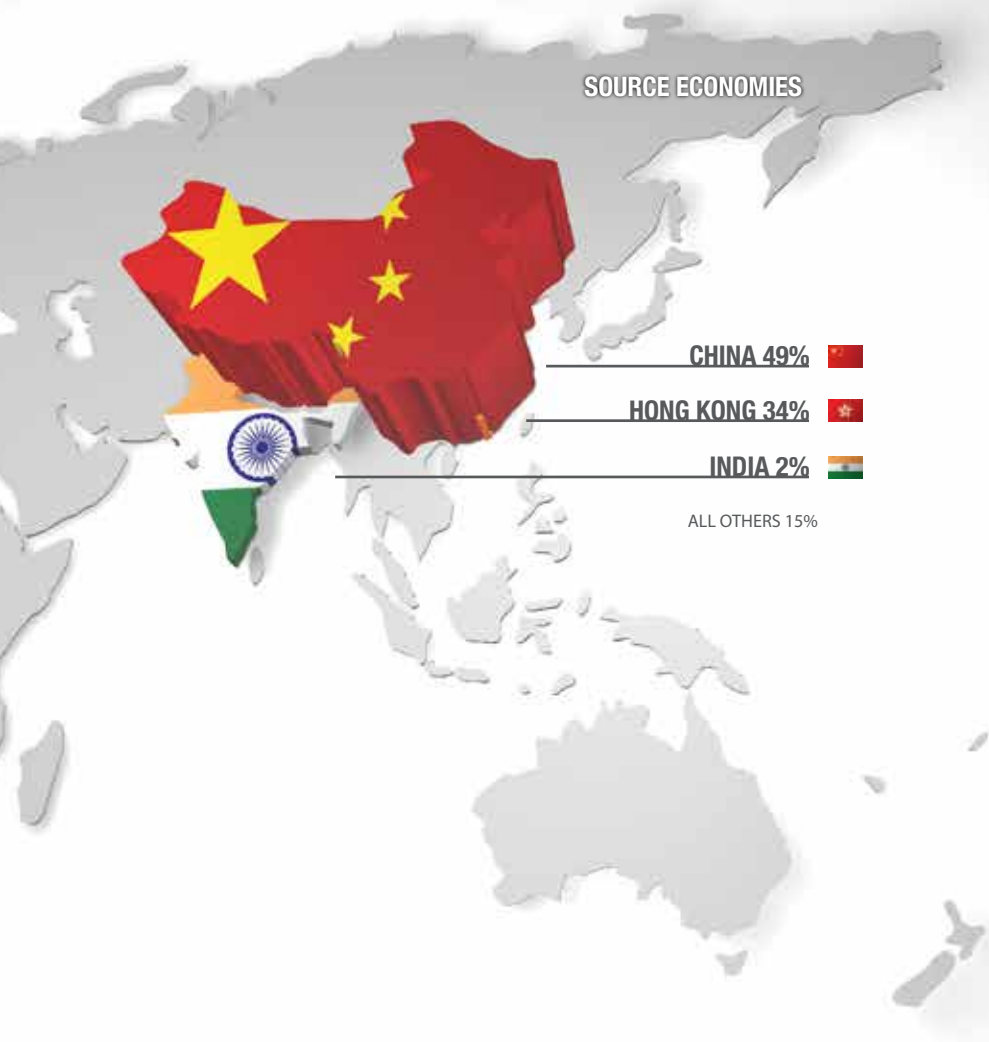
\$1,743,515,581 - MSRP

TOP COMMODITIES SEIZED BY NUMBER OF SEIZURES



Homeland Security

2013 IPR SEIZURE STATISTICS







Statistical Appendix

FY 2013 Safety and Security

FY 2013 Safety and Security	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 Safety and Security	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	*

*Seizures can contain multiple commodities

FY 2012 Safety and Security

FY 2012 Safety and Security	Estimated MSRP	Percent of Total
Pharmaceuticals/Personal Care	\$ 82,861,690	57%
Consumer Electronics/Parts	\$ 33,576,489	23%
Cigarettes	\$ 12,857,019	9%
Critical Technology Components	\$ 9,545,308	7%
Automotive	\$ 3,925,944	3%
Toys	\$ 1,259,514	Less than 1%
Food	\$ 753,266	Less than 1%
Sporting Goods	\$ 693,662	Less than 1%
Lighters	\$ 511,258	Less than 1%
Knives	\$ 136,800	Less than 1%
All Other Commodities	\$ 301,614	Less than 1%
Total FY 2012 Est. MSRP	\$ 146,422,565	
Number of Seizures	3,402	

FY 2012 Safety and Security	Number of Seizures	Percent of Total
Pharmaceuticals/Personal Care	2,343	68%
Consumer Electronics/Parts	447	13%
Critical Technology Components	256	7%
Sporting Goods	134	4%
Cigarettes	122	4%
Automotive	79	2%
Toys	12	Less than 1%
All Other Commodities	48	1%
Number of Seizures	3,441	*

*Seizures can contain multiple commodities

FY 2013 Top Five Economies by Estimated MSRP

1. China	Estimated MSRP	Percent of Total
Handbags/Wallets	\$ 547,715,999	46%
Watches/Parts	\$ 308,485,768	26%
Consumer Electronics	\$ 78,021,637	7%
Wearing Apparel	\$ 73,045,916	6%
Footwear	\$ 48,899,282	4%
Pharmaceuticals	\$ 43,687,125	4%
Computers/Accessories	\$ 30,674,762	3%
Labels/Tags	\$ 28,122,300	2%
Toys	\$ 7,630,064	Less than 1%
Media	\$ 3,781,085	Less than 1%
All Others	\$ 10,855,127	Less than 1%
Total FY 2013 Est. MSRP	\$ 1,180,919,064	
Number of Seizures	11,861	

2. Hong Kong	Estimated MSRP	Percent of Total
Watches/Parts	\$ 175,104,360	40%
Handbags/Wallets	\$ 137,194,217	31%
Consumer Electronics	\$ 60,767,664	14%
Wearing Apparel/Accessories	\$ 24,562,915	6%
Computers/Accessories	\$ 10,012,212	2%
Pharmaceuticals	\$ 9,235,756	2%
Labels/Tags	\$ 8,095,207	2%
Optical Media	\$ 7,383,725	2%
Footwear	\$ 2,081,110	Less than 1%
Toys	\$ 775,405	Less than 1%
All Others	\$ 2,325,470	Less than 1%
Total FY 2013 Est. MSRP	\$ 437,538,041	
Number of Seizures	8,280	

3. India	Estimated MSRP	Percent of Total
Pharmaceuticals	\$ 18,176,815	88%
NFL/MLB Trophies	\$ 1,743,550	8%
Wearing Apparel	\$ 383,322	2%
Computers/Accessories	\$ 223,790	1%
All Others	\$ 156,192	1%
Total FY 2013 Est. MSRP	\$ 20,683,669	
Number of Seizures	380	

4. Korea	Estimated MSRP	Percent of Total
Computers/Accessories	\$ 2,781,000	44%
Consumer Electronics	\$ 1,583,860	25%
Wearing Apparel/Accessories	\$ 1,254,992	20%
Pharmaceuticals	\$ 384,960	6%
Watches/Parts	\$ 218,575	3%
Handbags/Wallets	\$ 77,564	1%
All Others	\$ 7,483	Less than 1%
Total FY 2013 Est. MSRP	\$ 6,308,434	
Number of Seizures	78	

5. Singapore	Estimated MSRP	Percent of Total
Watches/Parts	\$ 3,485,133	69%
Consumer Electronics	\$ 964,229	19%
Labels/Tags	\$ 297,088	6%
Pharmaceuticals	\$ 107,610	2%
Computers/Accessories	\$ 64,712	1%
All Others	\$ 146,626	3%
Total FY 2013 Est. MSRP	\$ 5,065,398	
Number of Seizures	639	

*Seizures can contain multiple commodities

FY 2013 Top Three Economies by Number of Seizures

1. China	Number of Seizures	Percent of Total
Wearing Apparel/Accessories	5,809	42%
Consumer Electronics/Parts	2,190	16%
Pharmaceuticals	1,203	9%
Footwear	999	7%
Handbags/Wallets	913	7%
Watches/Parts	750	5%
Computers/Accessories	488	4%
Optical Media	355	3%
Labels/Tags	257	2%
Sporting Goods	153	1%
All Others	696	5%
Number of Seizures	13,813*	

2. Hong Kong	Number of Seizures	Percent of Total
Consumer Electronics/Parts	2,736	30%
Wearing Apparel/Accessories	2,654	29%
Handbags/Wallets	732	8%
Optical Media	644	7%
Watches/Parts	494	5%
Footwear	469	5%
Pharmaceuticals	433	5%
Computers/Accessories	393	4%
Labels/Tags	385	4%
Sporting Goods	70	Less than 1%
All Others	153	2%
Number of Seizures	9,163*	

3. Singapore	Number of Seizures	Percent of Total
Consumer Electronics/Parts	323	49%
Watches/Parts	192	29%
Wearing Apparel/Accessories	34	5%
Handbags/Wallets	32	5%
Pharmaceuticals	21	3%
Computers/Accessories	18	3%
Sporting Goods	14	2%
Labels/Tags	9	1%
Footwear	8	1%
All Others	6	1%
	657*	





**Homeland
Security**

*www.cbp.gov/ipr
www.iprcenter.gov
CBP Publication # 0204-0714*