INTELLECTUAL PROPERTY RIGHTS

Fiscal Year 2015 Seizure Statistics

Prepared by
U.S. Customs and Border Protection
Office of Trade
INTELLECTUAL PROPERTY RIGHTS

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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.
Products that infringe U.S. trademarks and copyrights or are subject to exclusion orders issued by the United States International Trade Commission threaten the health and safety of American consumers and pose risks to our economy and our national security. Continued enforcement of Intellectual Property Rights (IPR) by U.S. Customs and Border Protection (CBP), and U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations (HSI) mitigates the financial and welfare risks posed by imports of such illicit products.

In Fiscal Year (FY) 2015, IPR seizures increased nearly 25 percent to 28,865 from 23,140 in FY 2014. The total estimated manufacturer’s suggested retail price (MSRP) of the seized goods, had they been genuine, increased 10 percent to $1,352,495,341.

Tactical interagency collaboration with the National Intellectual Property Rights Coordination Center (IPR Center) resulted in 538 arrests, with 339 indictments, and 357 convictions.

Each year, more than 11 million maritime containers arrive at our seaports. At our land borders, another 10 million arrive by truck and 3 million arrive by rail. An additional quarter billion more cargo, postal, and express consignment packages arrive through air travel. Agencies within the Department of Homeland Security remain vigilant in targeting shipments posing risks to the American people.
In FY 2015, CBP completed 152 exclusion order enforcement actions (shipments seized and shipments excluded), an increase from 53 in FY 2014.

CBP seized 62 shipments of circumvention devices for violations of the Digital Millennium Copyright Act (DMCA), a 57 percent decrease from 144 such seizures in FY 2014.

The combined number of all IPR border enforcement actions in FY 2015 increased 37 percent over FY 2014.

In FY 2015, five Mobile Intellectual Property Enforcement Teams, groups of IPR experts deployed to assist with training and enforcement, conducted operations resulting in 1,349 IPR seizures of goods worth, had they been genuine, a combined estimated MSRP of over $22 million.

CBP seized 550 shipments containing labels and tags bearing counterfeit trademarks and/or pirated copies intended to be applied to articles after importation to create non-genuine products, which if genuine would be worth an estimated MSRP of $33,335,825. These included labels and tags sewn in fabric labels and patches, adhesive stickers and holograms, stamped metal parts including emblems, rivets, zippers, and paper hangtags. They are made for all types of apparel, handbags, shoes, electronics, software, and numerous other types of goods.
CBP concentrates its IPR border enforcement on federally registered trademarks and copyrights that have been “recorded” with CBP by owners using the Intellectual Property Rights e-Recordation (IPRR) system, which is available at https://iprr.cbp.gov/. CBP administers these “recordations” using a secure proprietary database that CBP can access to make IPR border enforcement determinations. Product ID manuals that are prepared by right holders are also linked to the database and used by CBP in making IPR border enforcement determinations.

At the close of FY 2015, CBP enforced trademarks and copyrights to over 17,000 active recordations, including 2,026 new recordations or renewals of expiring recordations.

CBP works closely with the rights holders in making IPR enforcement determinations. A public database of both active and inactive recordations is available using a search engine called the Intellectual Property Rights Search (IPRS) at http://iprs.cbp.gov/index.asp. Information on potential IPR infringements can be submitted to CBP using the e-Allegations Online Trade Violation Reporting System at https://eallegations.cbp.gov/Home/Index2.

In FY 2015, CBP in collaboration with ICE HSI utilized the IPR Strike Unit (ISU) ten times. ISUs are multi-discipline IPR enforcement teams that allow CBP to take enforcement action soon after infringing goods are identified at the ports.
The ISU focuses on real time enforcement and informed compliance to build better cases against IPR violators and improve future compliance.

CBP and French Customs General Directorate jointly participated in Operation Bathe and Beaute, a bilateral IPR enforcement operation targeting counterfeit personal care products and electric personal devices. The joint operation, conducted from April 8, 2015, through May 4, 2015, resulted in seizures of 76 shipments of more than 31,000 counterfeit items with a total estimated MSRP of $541,000, had the goods been genuine.

As a result of a collaborative enforcement effort between CBP’s IPR Policy and Program Division, CBP’s Pharmaceuticals, Health and Chemicals Center of Excellence and Expertise (CEE), ICE-HSI, other U.S. agencies and Zollkriminalamt (the German Customs Investigations Bureau), a Venezuelan man was sentenced to nearly two years of federal prison for his involvement in trafficking a high-volume of illicit pharmaceutical goods into the United States. After serving his term, he will be deported.

On August 12, 2015, in New Jersey, 175,000 watches, manufacturing stamps, and dye casts were seized. These goods infringed multiple trademarks and, had they been genuine, would have a total estimated MRSP of $100 million, an all time high seizure value.
FY 2015 TOTALS:
28,865 - NUMBER OF SEIZURES
$1,352,495,341 - MSRP

SOURCE ECONOMIES

USA

CHINA 49%
HONG KONG 34%
SINGAPORE 5%
ALL OTHERS 11%

TOP PRODUCTS SEIZED BY NUMBER OF SEIZURES

APPAREL/ACCESSORIES 22%
CONSUMER ELECTRONIC 18%
FOOTWEAR 10%
WATCHES/JEWELRY 10%
PHARMACEUTICALS 8%
HANDBAGS/WALLETS 7%
OPTICAL MEDIA 5%
COMPUTERS/ACCESSORIES 3%
LABEL/TAGS 2%
TOYS 1%
ALL OTHERS 14%

SHIPPING ENVIRONMENT BY NUMBER OF SEIZURES

EXPRESS 14,897
MAIL 10,834
CARGO 1,287
ALL OTHERS 1,847
Product Categories

Computers/Accessories

Wearing Apparel/Accessories

Footwear

Watches/Jewelry

Optical Media

Consumer Electronics

Pharmaceuticals/Personal Care

Handbags/Wallets

Toys

All Other Products

All Other Products
## Products Seized by MSRP

### Fiscal Year 2015

- **Watches/Jewelry**: $580,791,647 (43%)
- **Handbags/Wallets**: $208,378,624 (15%)
- **Wearing Apparel/Accessories**: $157,196,110 (12%)
- **Consumer Electronics/Parts**: $132,478,776 (10%)
- **Pharmaceuticals/Personal Care**: $75,061,822 (6%)
- **Footwear**: $64,967,315 (5%)
- **Computers/Accessories**: $38,393,149 (3%)
- **Labels/Tags**: $33,335,825 (2%)
- **Optical Media**: $32,504,467 (2%)
- **Toys**: $9,757,358 (Less than 1%)
- **All Other Products**: $19,630,248 (1%)

**Total FY 2015 Est. MSRP**: $1,352,495,341

**Number of Seizures**: 28,865

### Fiscal Year 2014

- **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 Products**: $39,273,404 (3%)

**Total FY 2014 Est. MSRP**: $1,226,347,540

**Number of Seizures**: 23,140
**Number of Seizures by Product**

**Fiscal Year 2015**

- Wearing Apparel/Accessories: 6,232 (22%)
- Consumer Electronics: 5,326 (18%)
- Footwear: 2,818 (10%)
- Watches/Jewelry: 2,754 (10%)
- Pharmaceuticals/Personal Care: 2,301 (8%)
- Handbags/Wallets: 2,149 (7%)
- Optical Media: 1,442 (5%)
- Computers/Accessories: 846 (3%)
- Labels/Tags: 550 (2%)
- Toys: 391 (1%)
- All Other Products: 4,056 (14%)

**Number of Seizures: 28,865**

**Fiscal Year 2014**

- Wearing Apparel/Accessories: 5,948 (26%)
- Consumer Electronics/Parts: 5,432 (23%)
- Pharmaceuticals/Personal Care: 1,841 (8%)
- Watches/Jewelry: 1,330 (6%)
- Optical Media: 1,322 (6%)
- Footwear: 1,276 (5%)
- Handbags/Wallets: 1,260 (5%)
- Computers/Accessories: 671 (3%)
- Labels/Tags: 451 (2%)
- Toys: 230 (1%)
- All Other Products: 3,379 (15%)

**Number of Seizures: 23,140**

*In an effort to streamline DHS reporting, shipments with multiple products are now categorized as All Other Products. Prior to FY 2015, seizures with more than one type of product were included in more than one category. The FY 2014 totals have been adjusted to reflect this change.
**Total MSRP for Products Seized by Source Economy**

### Fiscal Year 2015
- **China**: $697,083,700 (52%)
- **Hong Kong**: $472,331,251 (35%)
- **Singapore**: $10,267,324 (Less than 1%)
- **India**: $6,409,028 (Less than 1%)
- **United Kingdom**: $4,358,128 (Less than 1%)
- **Korea**: $3,788,572 (Less than 1%)
- **United Arab Emirates**: $3,432,950 (Less than 1%)
- **Italy**: $2,849,267 (Less than 1%)
- **Malaysia**: $2,345,427 (Less than 1%)
- **Canada**: $1,973,812 (Less than 1%)
- **Kenya**: $2,292,982 (Less than 1%)
- **All Others**: $147,655,882 (11%)

**Total FY 2015 Est. MSRP**: $1,352,495,341

**Number of Seizures**: 28,865

### Fiscal Year 2014
- **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**: $78,948,105 (9%)

**Total FY 2014 Est. MSRP**: $1,226,347,540

**Number of Seizures**: 23,140
### Seizures by Source Economy

#### Fiscal Year 2015

<table>
<thead>
<tr>
<th>Trading Partner</th>
<th>Number of Seizures</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>14,164</td>
<td>49%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>9,724</td>
<td>34%</td>
</tr>
<tr>
<td>Singapore</td>
<td>1,395</td>
<td>5%</td>
</tr>
<tr>
<td>Romania</td>
<td>310</td>
<td>1%</td>
</tr>
<tr>
<td>Turkey</td>
<td>160</td>
<td>1%</td>
</tr>
<tr>
<td>All Others</td>
<td>3,112</td>
<td>11%</td>
</tr>
</tbody>
</table>

**Number of Seizures**: 28,865

#### Fiscal Year 2014

<table>
<thead>
<tr>
<th>Trading Partner</th>
<th>Number of Seizures</th>
<th>Percent of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>China</td>
<td>10,493</td>
<td>45%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>8,667</td>
<td>37%</td>
</tr>
<tr>
<td>Singapore</td>
<td>481</td>
<td>2%</td>
</tr>
<tr>
<td>Turkey</td>
<td>447</td>
<td>2%</td>
</tr>
<tr>
<td>Canada</td>
<td>335</td>
<td>1%</td>
</tr>
<tr>
<td>All Others</td>
<td>2,717</td>
<td>12%</td>
</tr>
</tbody>
</table>

**Number of Seizures**: 23,140
## Estimated Manufacturer’s Suggested Retail Price (in millions)

<table>
<thead>
<tr>
<th>Mode</th>
<th>FY 2014</th>
<th>FY 2014 Percent of Total</th>
<th>FY 2015</th>
<th>FY 2015 Percent of Total</th>
<th>Difference</th>
<th>FY 2014 to FY 2015 Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Express</td>
<td>$319.9</td>
<td>26%</td>
<td>$436.6</td>
<td>32%</td>
<td>$116.7</td>
<td>36%</td>
</tr>
<tr>
<td>Mail</td>
<td>$64.1</td>
<td>5%</td>
<td>$94.0</td>
<td>7%</td>
<td>$29.9</td>
<td>47%</td>
</tr>
<tr>
<td>Cargo</td>
<td>$592.6</td>
<td>49%</td>
<td>$495.6</td>
<td>37%</td>
<td>$(97.0)</td>
<td>-16%</td>
</tr>
<tr>
<td>Other</td>
<td>$249.7</td>
<td>20%</td>
<td>$326.3</td>
<td>24%</td>
<td>$76.6</td>
<td>31%</td>
</tr>
<tr>
<td>Total</td>
<td>$1,226.3</td>
<td></td>
<td>$1,352.5</td>
<td></td>
<td>$126.2</td>
<td>10%</td>
</tr>
</tbody>
</table>

## Number of Seizures

<table>
<thead>
<tr>
<th>Mode</th>
<th>FY 2014</th>
<th>FY 2014 Percent of Total</th>
<th>FY 2015</th>
<th>FY 2015 Percent of Total</th>
<th>Difference</th>
<th>FY 2014 to FY 2015 Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Express</td>
<td>12,623</td>
<td>55%</td>
<td>14,897</td>
<td>52%</td>
<td>2,274</td>
<td>18%</td>
</tr>
<tr>
<td>Mail</td>
<td>7,300</td>
<td>32%</td>
<td>10,834</td>
<td>38%</td>
<td>3,534</td>
<td>48%</td>
</tr>
<tr>
<td>Cargo</td>
<td>1,423</td>
<td>6%</td>
<td>1,287</td>
<td>4%</td>
<td>(136)</td>
<td>-10%</td>
</tr>
<tr>
<td>Other</td>
<td>1,794</td>
<td>8%</td>
<td>1,847</td>
<td>6%</td>
<td>53</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>23,140</td>
<td></td>
<td>28,865</td>
<td></td>
<td>5,725</td>
<td>25%</td>
</tr>
</tbody>
</table>

*Seizures included in the “Other” category involve exports, passenger baggage, or other enforcement actions.
**Health, Safety and Security**

**Fiscal Year 2015**

- Personal Care: 40%
- Pharmaceuticals: 23%
- Critical Technology Components: 11%
- Batteries: 7%
- Consumer Electronics: 6%
- Automotive: 3%
- Sporting Goods: 2%
- Ball Bearings: 2%
- All Others: 4%

**Number of Seizures**: 4,577

**Fiscal Year 2014**

- Personal Care: 42%
- Pharmaceuticals: 19%
- Batteries: 9%
- Critical Technology Components: 9%
- Consumer Electronics: 8%
- Automotive: 4%
- Sporting Goods: 3%
- Ball Bearings: 3%
- Water Filters: <1%
- All Others: 3%

**Number of Seizures**: 3,744
**Exclusion Orders**

CBP enforces exclusion orders issued by the United States International Trade Commission (USITC).

Most USITC exclusion orders are patent-based.

The USITC issues both limited and general exclusion orders. Limited exclusion orders apply only to infringing articles of named respondents. General exclusion orders bar the entry of infringing articles by all.

Exclusion orders prohibit the entry of all covered articles, even if they were not specifically accused and found to infringe at the USITC.

Once excluded, subsequent importations of the same articles by the same importer are subject to seizure.

**Fiscal Year 2015**

<table>
<thead>
<tr>
<th>Shipments Seized</th>
<th>Shipments Excluded</th>
<th>Seizure Est. MSRP</th>
<th>Rulings* issued</th>
<th>Advice to ports</th>
</tr>
</thead>
<tbody>
<tr>
<td>26</td>
<td>126</td>
<td>$8,741,932</td>
<td>16</td>
<td>46</td>
</tr>
</tbody>
</table>

**Fiscal Year 2014**

<table>
<thead>
<tr>
<th>Shipments Seized</th>
<th>Shipments Excluded</th>
<th>Seizure Est. MSRP</th>
<th>Rulings* issued</th>
<th>Advice to ports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>51</td>
<td>$33,725</td>
<td>9</td>
<td>10</td>
</tr>
</tbody>
</table>

*The term “rulings” covers rulings and other interpretive decisions.

**IPR Points of Contact**

Contact the IPR Help Desk to Report Violations and Obtain Assistance

CBP’s IPR Help Desk is staffed Monday through Friday to answer questions on IPR enforcement. Contact the IPR Help Desk at (562) 980-3119 ext. 252, or via email at iprhelpdesk@cbp.dhs.gov.

Consult a CBP IPR Attorney

For those who have legal questions about CBP’s IPR enforcement and would like to interface with a CBP IPR attorney, the IPR Branch is available to help. To request information on CBPs recordation program, please contact the IPR Branch at iprrquestions@cbp.dhs.gov. For general inquiries on IPR enforcement, please contact hqiprbranch@cbp.dhs.gov.

Obtain Guidance on CBP IPR Policy and Programs

The IPR Policy and Programs Division coordinates with rights holders, members of the trade community, CBP staff, other Federal agencies, and foreign governments in developing and implementing the agency’s IPR strategy, policy and programs. To contact the IPR Policy and Programs Division, email iprpolicyprograms@cbp.dhs.gov.

National Intellectual Property Rights Coordination Center

To report violations of intellectual property rights, including counterfeiting and piracy, to the National IPR Coordination Center visit https://www.iprcenter.gov/referral/ or telephone 1-866-IPR-2060.