CBP Seizes Earbuds for Trademark Violation

On June 30, CBP officers assigned to Honolulu air cargo operations targeted a commercial cargo shipment on an All Nippon Airways flight arriving from China. Officers examined 79 cases and discovered 30,124 earbuds with the Apple logo. CBP seized the shipment for trademark violations. Had the goods been genuine, the items would have had a manufacturer’s suggested retail price of $903,419.

If you have information about counterfeit merchandise being illegally imported into the United States, CBP encourages you to submit an e-Allegation. The e-Allegation system provides a means for the public to anonymously report to CBP any suspected violations of trade laws or regulations related to the importation of goods into the United States. Submit your trade allegation by visiting https://eallegations.cbp.gov/.

CBP Enforces Cryptocurrency Miner Classification

The Electronics Center of Excellence and Expertise (ECEE) is often required to assess new products as technology advances. Cryptocurrencies, which have been around since about 2009, are digital currencies created through the encryption of fund transfers, which are “mined” or verified with sophisticated computing technology. Cryptocurrency miners are electronic machines designed specifically for this task.

The miners are often misclassified as automatic data processing machinery, but because they are single purpose machines and not considered freely programmable, they do not belong in that classification.

In August 2016, a CBP import specialist found that bitcoin miners were misclassified in a duty free provision. The correct classification should have been at a 2.6% duty rate. After extensive research, CBP identified additional importers and manufacturers that misclassified bitcoin miners incorrectly. ECEE continues to target shipments of miners and looks into these new products, as mining technology continues to advance. To date this year, over $2 million in additional revenue has been recovered.
Trade Enforcement Team Seizes Fraudulent Flavored Cigars

From March to June, in conjunction with Special Operation “Smoking Pharma Raised Fish,” the Port Everglades, Florida, trade enforcement team targeted and examined numerous containers of cigarettes, cigars, and wrappers looking for trademark and marking violations, counterfeit or illicit products, manifest discrepancies and any other violations for importation contrary to the laws of the United States.

Upon close examination of seven shipments of “Splitarillo” flavored cigars, all having arrived from the Dominican Republic, the enforcement team issued CBP Form 4647 – Notice to Mark and/or Notice to Redeliver and Detention Notices – for suspected fraudulent country of origin markings. The cigarillos had been manufactured in the Dominican Republic but bore the “Made in the USA” mark.

With concurrence from import specialists at the Agriculture and Prepared Products Center of Excellence and Expertise, the enforcement team subsequently seized all seven shipments for violation of 19 USC 1595(a) (C), 15 USC 1124 and 15 USC 1125. The seven seizures were appraised with a total domestic value of $301,453.

CBP Uses Donated Authentication Device to Detect Counterfeits

On May 25, a Portland, Oregon-based import specialist was assisting a CBP officer in conducting exams at the Portland DHL warehouse and selected a shipment for exam manifested as “phone cases” with a declared value of $108.

Upon conducting the exam, the CBP officer discovered that the phone cases were contained in individual retail packaging marked with the OtterBox trademark.

Fortunately, the officer had a brand new tool available for his use to help him determine if the cases were authentic.

That tool was the OtterBox Detector, a handheld authentication device provided by Otter Products, LLC, maker of OtterBox and LifeProof brand phone cases. The detector was provided to CBP as part of the Donations Acceptance Program.

The testing of each package failed to produce a positive detection, indicating a counterfeit product. This highly effective tool provided an on the spot determination, allowing the officer to immediately initiate the seizure process.

On June 7, CBP seized the shipment, which contained 89 counterfeit OtterBox Defender Series phone cases with a total MSRP of $5,326. The seizure was the first within the San Francisco/Portland Field Office since receiving the authentication devices.