

US Customs IPR Protection And Enforcement

by

George R. Tuttle, III

George R. Tuttle Law Offices

One Embarcadero Center, Suite 730, San Francisco

Tel: (415)986-8780

Fax (415) 986-0908

E-mail: geo@tuttlelaw.com

Presentation

- Kyle Allard- U.S. Customs Team Leader Port of San Francisco IPR Enforcement Team
- Renee Stein, Microsoft Corp.
- George Tuttle, Enforcement issues For IPR

Customs IPR Protections

- Recording Trademarks and Copyrights
 - Sec. 133.1 Trademarks
 - Sec. 133.11 Trade names
 - Sec. 133.31 Copy rights
- Enforcement
 - Sec. 133.21 Treatment of articles bearing unauthorized marks
 - Sec. 133.42 Treatment of articles violating copyrights

U.S. Customs Detention Policy

- 19 U.S.C. 1499
 - Customs must decide whether to detain merchandise within 5 working days of presentation of goods for examination
 - Customs has 5 working days from date of decision to detain to notify importer of detention
 - Customs has 30 days from the date of presentation to determine whether to exclude the merchandise
 - After 30 days, Importer may treat goods as excluded and file protest against exclusion if it has not received notice of exclusion or seizure
 - Any protest not decided upon within 30 days may be appealed to CIT for review de novo
- Customs, however, will generally choose to seize rather than exclude the violative merchandise.

U.S. Customs Detention Policy

– Notice Of Detention

- State specific reason for detention
- Anticipated length of detention
- Nature of tests or inquiries to be conducted
- Any information that can be supplied by importer that might accelerate the disposition of the detention

■ Testing results

- Importer is entitled to copies of the results of any testing conducted by Customs

Trademark Penalties

- 19 U.S.C. 1526
 - Goods found to be imported in violation of 1526(e) (bearing infringing or counterfeit trademark, trade name) is subject to seizure and forfeiture
 - Any person who “directs,” “assists financially or otherwise,” or “aids or abets” the importation of goods seized under 1526(e) is subject to a civil fine equal to the value of the merchandise had it been original
 - The fine is within the discretion of the Customs Service
 - Customs policy does not discriminate between knowing and unknowing importers for the purpose of assessment of a fine under 1526(f)

Trademark

- A trademark is any word, symbol device or combination thereof used in connection with a product to help consumers identify that product as different from products of competitors.
- Types of trademarks: trademark, service mark, collective mark or certification mark.
- Trademark protection extends 20 years.

Copyright

- A copyright is an expression of an idea in a tangible form.
- A copyright protects original works of authorship including:
 - literature, music, movies,
 - computer programs, software, IC designs, video games
 - works of art and toy designs
 - against unauthorized reproduction, distribution or display.

Patent

- A patent is a claim of invention of an article, process or design (including plants) which is novel, useful, and non-obvious.
- A patent gives the claimant the right to use or control the use of such article, process or design for a period of years, to the exclusion of others.

Registration/Recordation

- Registration relates to the official act of filing a trademark with the U.S. Patent & Trademark office, or a copyright with the U.S. Copyright Office.
- Recordation refers to bringing a valid, registered right to U.S. Customs IPR Branch in order to protect against infringing imports.
- The distinction is important
 - the most important of which is that recorded trademarks and copyrights are entitled to greater protection from Customs than non-recorded trademarks and copyrights.

Recordation of trademarks and copyrights with Customs

- Following registration with the PTO (on the Principal Register) or US Copyright Office, rights may be recorded with Customs
 - Application for recordation is made with the IPR Branch
 - Requirements for recordation are set out in regulations
 - Recordation is effective for term of registration or remaining period.

Recordation Essentials

- On Line registration
- Certified copy of certificate
- \$190 fee
- Samples /photos of trademark/copyright
- Information about legitimate users
- Information about suspect infringers
- Gray market request, if applicable

ACS-IPR Module

- ◆ CBP's IPR module is an automated system containing information about all recorded IPR
- ◆ The IPR module provides a systematic listing and detailed information, including images, to assist Customs officers in providing adequate protection on a timely basis.
- The IPR module is accessible to the trade community for research of recorded marks.

Recordation Advantages

- Customs officers are more aware of recorded marks and copyrights
- Customs has enhanced enforcement capabilities for recorded IP
 - 19 USC 1526(f) counterfeit trademark penalties
 - ability to seize confusingly similar marked goods (and sometimes, gray market goods)
 - ability to pursue possibly piratical goods (cont.)

(cont.)

AND...

The IP holders are entitled to disclosure of detention and seizure information pertaining to recorded marks and copyrights.

Trademark Enforcement

Types of Trademark Infringement

- **Counterfeit**
- **Confusingly Similar**
- **Gray Market**

Trademark Infringement Counterfeit

- The Lanham Trademark Act defines counterfeit as a spurious mark which is identical with, or substantially indistinguishable from, a registered mark...
- **Important point: The mark should be “identical or nearly identical.”**

Counterfeit - Determination

- A counterfeit mark is a mark which is:
 - identical or substantially indistinguishable (nearly indistinguishable) and
 - it appears on merchandise registered for the same class of goods.

Counterfeit - Action

- If Customs determines imported goods bear a counterfeit mark of a recorded trademark, the goods are subject to seizure.
- Seizures of counterfeit recorded trademarked goods may also subject the parties involved to civil penalties equal to the manufacturer's suggested retail price (MSRP) of the goods, as if they were genuine, for a first time violation.
- Repeat violations may lead to penalties equal to twice the MSRP of the goods.

“Confusingly Similar”:

- **Legal standard for determining infringement where mark is not counterfeit...**

When is a Mark is “Confusingly Similar”?

- Mark is not “identical”
 - “Is it likely to cause confusion or deceive the average consumer?”
 - Does the mark appear on a class of goods for which the protected mark is registered for or does the suspect mark appear on related goods?
 - Is the mark recorded with Customs?

Confusingly Similar: Action

- If the mark is recorded with Customs and found to be confusingly similar the goods bearing the mark are subject to detention.
- The goods may be released if
 - the infringing mark is permanently obliterated or
 - if consent to import is granted by the trademark owner.
- The trademark owner is notified of the detention.
- Failure to obtain release will result in seizure.

Trademark Infringement Gray Market - Elements

- Four key factors
 - Foreign made goods
 - Genuine goods
 - U.S. mark owner Imported without permission of trademark owner
- Trademark must be recorded with Customs to receive gray market protection!!

Gray Market: Action

- If the mark is recorded with Customs and found to have gray market protection: the goods bearing the mark are subject to detention.
- The goods may be released if the infringing mark is permanently obliterated or if consent to import is granted by the trademark owner.
- The trademark owner is notified of the detention.
- Failure to obtain release will result in seizure.

Copyright Enforcement

Legal definitions of Copyright Infringement

■ Copying

- Access (availability in marketplace)
- Substantial similarity of the elements and/or ideas

■ “Substantial Similarity”

The “ordinary observer” test: whether an ordinary observer would recognize the suspect work as having been taken from the protected work.

Copyright Customs Enforcement Actions

- Where an article is suspected of infringing a copyright, a determination is initially required as to whether the merchandise is clearly piratical or possibly piratical

“Clearly Piratical”

- “Clearly Piratical”:
 - When an article constitutes a clearly piratical copy of a protected copyrighted work, it is held to bear an overwhelming degree of substantial similarity to the protected work
- ***Important point: Unlike trademark violations, consumer confusion is not the issue.***

Clearly Piratical: Action

- If an article is determined to be a Clearly Piratical copy of a recorded copyright, it is subject to seizure.

Possibly Piratical

- When an article is deemed by Customs to be “possibly piratical”, we have determined that a degree of substantial similarity exists or is likely to exist, but that it cannot be characterized as “substantial” without further analysis.
- Deeming goods to constitute “possibly piratical” copies triggers an administrative review process

Disclosure Regulations

- After detention, Customs is required to disclose to IPR owner:
 - date of importation
 - port of entry
 - description of merchandise
 - quantity
 - country of origin

Patent Enforcement

Customs Enforcement Actions Relating to Patents

- **Customs enforcement is limited to enforcing International Trade Commission (ITC) exclusion orders and conducting patent surveys**
- **Customs has no legal authority to make patent infringement determinations, but rather, Customs interprets/enforces patent infringement determinations issued by the ITC.**

Exclusion Orders

- ITC exclusion orders are issued where the government finds that companies have been importing merchandise which infringes a U.S. Patent or Trademark.
- Exclusion Orders are contained within the IPR Module.

Exclusion Orders

- An exclusion order can be General or Limited.
 - General Exclusion Order: Any merchandise that infringes the particular patent or trademark would be excluded;
 - Limited: only specified merchandise imported by specified companies which infringes a patent or trademark is excluded