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Register

Best Practices For Coordinating With Customs

BY JENNIFER KO CRAFT, ESQ.

More and more, clients are looking for fast and inexpensive alternate solutions to resolving conflict. In my world, this is especially true when it comes to stopping the infringement of my clients' trademark and copyright rights. Almost anyone can set up an account on eBay, DHGate or Alibaba these days, selling a variety of counterfeit products, and once you take down one listing, it seems two others magically appear. But what if I told you that you could stop the infringement of your client's trademarks and copyrights before it happened?

Yes, we all know about injunctions and, while they can be effective, they can also be costly (even for preliminary injunctions, but certainly with permanent injunctions, they can take months to several years to obtain). Here's where I come in.

The CBP can stop infringement.

The U.S. Customs and Border Protection (CBP) is one of the nation's largest federal law enforcement agencies, with more than 60,000 employees.¹ It is charged with securing the nation's borders, which include more than 300 ports of entry.² On a typical day, the CBP screens nearly 1 million visitors and more than 67,000 cargo containers, and processes about \$6.3 billion worth of imported goods.³ CBP officers inspect containers as they cross our borders as obvious security and safety measures, but not many people know that CBP officers also inspect these containers to enforce U.S. intellectual property rights (IPR). Yes, you read that right: the CBP expends its own resources to protect your client's U.S. intellectual property rights.

Last year alone, the CBP executed 31,560 IPR seizures of goods totaling \$1,382,903,001 in MSRP with 88 percent of them originating in China and Hong Kong.⁴ That means, for every shipment of counterfeit goods that the CBP seizes, your clients don't have to spend their own resources to take down, or otherwise compete.

The CBP Recordation Process

Let's walk through the nuts and bolts of the process. CBP officers must first determine if there is an intellectual property right at all and second, if it is being infringed upon. Bear in mind that these officers, while eager to stop criminals from duping unwitting customers into buying fake, and in some cases harmful, goods, they are not attorneys; they need assistance understanding if and what items can be seized and destroyed.

But how does the CBP know who owns what intellectual property? When it comes to well-known trademarks and copyrights, it's pretty obvious, but what about your everyday business owner? This is where you, having

Trademark

If your client's trademark also happens to be a trade name, you can record its trade name whether or not your client has a trademark application pending.

be done online, and the filing fee (at least for now) is \$190. To fill out the form, you should be prepared to not only provide information regarding your client and its trademark and/or copyright registration number(s), but to provide detailed information regarding any related, foreign entities and licensees of your client and all persons or entities authorized to ship articles bearing or incorporating your client's registered intellectual property to/from the U.S. Once filed, it can take approximately three business days to process, although I have had them recorded sooner. Much like with a trademark or copyright application, however, the CBP application seems at first fairly straightforward, but upon further analysis, there are many strategic concerns to consider (some are discussed below).

thoroughly read this article, can help your client with proactive, cost-saving advice. As the owner of a federally registered trademark or copyright, you can and should record your ownership claim with the CBP. The recordation can

What about unregistered trademarks and copyrights?

What if my client doesn't have the resources to register its trademark or copyright? To that I say, they really should shop around, because some attorneys will flat-fee applications or otherwise work with them on the budget. Particularly with copyright applications, which are subjected to a much less stringent examination process than trademark applications, there really is no excuse not to register.

For whatever reason, say your client hasn't registered its trademark or copyright, what happens then? Never fear, there are potential workarounds. For example, if your client's trademark also happens to be a trade name, you can record its trade name whether or not your client has a trademark application pending. You can also expedite the registration of your client's copyright claim, even if a lawsuit is not pending, based on a notice from the CBP. The CBP recently introduced the ability to temporarily record a copyright application, once filed; but, as I understand it, you would still need to record your copyright registration, once issued.

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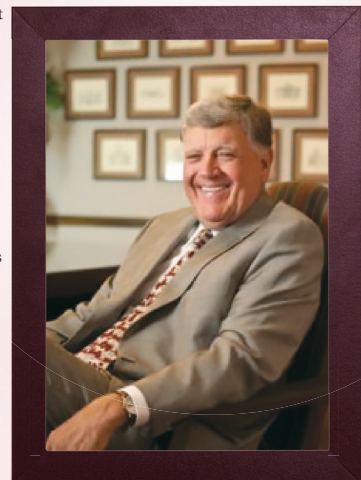
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BRUCE ALVERSON,

senior and managing partner at Alverson, Taylor, Mortensen & Sanders, was recently elevated by the American Board of Trial Advocates (ABOTA) to its highest rank of Diplomat, based upon the number and nature of his civil jury trials.

ABOTA is one of the country's most distinguished trial lawyer associations. Membership is by invitation only and is based upon actual jury trial experience.

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BRUCE ALVERSON

Sr. Managing Partner

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There are so many other questions and concerns that can come up, like protecting trade dress vs. trademark, or distinguishing between counterfeit product and grey market product. Unfortunately, this is just one article, and not a treatise; my best advice to you is to seek out an experienced intellectual property attorney, at least in the beginning, to help you better understand these threshold concerns.

What happens after you record?

Once recorded, what happens next? Likely, you will receive calls and emails from CBP officers, informing you of shipments that have been held. Bear in mind that CBP can

only hold a shipment for 30 days, so you must act quickly when responding to inquiries. Most often, the CBP officer cannot tell you much about the sender or recipient, but they can send you photos of the products. In some cases, they are easy to spot, with glaring typos and incorrect information on the packaging; at other times it can be much more difficult. My suggestion is that, if your client has tell-tale signs of authenticity—a hidden “easter egg,” so to speak—share that with the officers, with your client’s approval. The more the officers can independently detect and confirm authenticity, the less direction they need from you, saving your client money. Likewise, if your client has a style guide for its product lines, ask your client if you can share the guide with the officers.

Recordation of your clients’ intellectual property rights is fast and inexpensive, but its impact is significant. Personally, I view CBP recordations as a supplement to the arsenal of tools (like International Trade Commission proceedings and civil actions) to confront counterfeit goods, but if you have a client that may not have the resources to utilize these more-costly tools, IPRs are a highly effective means of stopping infringement before it happens. **NL**

1. <https://www.cbp.gov/about>
2. <https://www.cbp.gov/newsroom/stats/cbp-enforcement-statistics>
3. See Footnote 1
4. <https://www.cbp.gov/sites/default/files/assets/documents/2017Jan/FY%2016%20IPR%20Stats%20FINAL%201.25.pdf>

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JENNIFER KO CRAFT is a member partner in Dickinson Wright’s Intellectual Property and Media, Sports & Entertainment Departments. She practices primarily in the areas of domestic and international trademark and copyright prosecution, licensing and enforcement. Craft consults with clients in identifying various protectable aspects of the clients’ products, services and concepts, and in developing and managing their intellectual property portfolios. She also resolves trademark, copyright and domain name disputes, and enforcing clients’ intellectual property rights on the internet.