

CBP and U.S. Chamber of Commerce Team Up Against Counterfeiters



The U.S. Customs and Border Protection and the U.S. Chamber of Commerce sign a memorandum committing more resources to the battle against makers and sellers of counterfeit goods.

Earlier this month, U.S. Customs and Border Protection (CBP) officers working at the Houston seaport intercepted more than 70,000 various counterfeit Apple and JBL electronics with a combined manufactured suggested retail price (MSRP) over \$4 million. According to the CBP, the items were shipped from China and were seized because of intellectual property rights violations.

When the shipment arrived in Houston, CBP officers examined it and discovered various Apple products including Air Pod Pros, Apple Watches, Lightning Cables, protective cases and JBL speakers. Images of the items were sent to the trademark holders who confirmed the items were counterfeit.

“Transnational criminal organizations are relentless in their effort to fund their illegal activities by manufacturing poor imitations of authentic designer brands,” said Houston CBP Port Director Roderick Hudson. “This seizure illustrates our commitment to protecting our nation’s economy and consumers from those intent on defrauding businesses and consumers alike.”

One of Many

Counterfeiting has been on the rise for years, but the global pandemic created an even bigger spike in this illegal activity. And while the COVID-19 pandemic altered the world for almost everyone, international criminals involved in counterfeiting and other forms of illicit trade set out to profit from the dangers and disasters that the world was facing due to the outbreak.

“As a result, we witnessed growth in one of the world’s faceless menaces – counterfeiting,” *World Trademark Review* states, “which, throughout this terrible period, has once again crept up and spread to become nothing less than a criminal contagion.”

The Organization for Economic Cooperation and Development (OECD) estimates that the global trade in counterfeit and pirated goods generates more than \$500 billion in illicit proceeds annually. Last fiscal year, CBP seized more than 26,500 shipments that contained millions of counterfeit items, including personal protective equipment, pharmaceuticals, COVID-19 test kits, electronics, apparel, footwear and jewelry.

Joining Forces Against Counterfeiters

Now, the CBP and the U.S. Chamber of Commerce are pairing up in a joint initiative focused on preventing the importation of counterfeit and pirated goods. The two groups signed a memorandum of understanding on information sharing to enhance intellectual property rights enforcement.

“This memorandum of understanding establishes a first-of-its-kind framework for public-private collaboration on combatting counterfeit and pirated goods,” said CBP’s William A. Ferrara in a [press release](#). “Information sharing between CBP and the U.S. Chamber of Commerce will strengthen our ability to defend intellectual property standards that generate American jobs, save lives, and enhance our economic prosperity.”

The memorandum lays out CBP's and the U.S. Chamber of Commerce's intent to "enhance the exchange of information concerning known or suspected intellectual property rights violations." Both also intend to conduct joint training and outreach events and to improve public awareness of efforts to disrupt the trade in counterfeit and pirated goods.

"Trade in counterfeit and pirated goods threatens America's innovation economy, the competitiveness of U.S. businesses, and the livelihoods of American workers," CBP states in the release. "In some cases, counterfeit goods contain components or chemical additives that can harm consumers' health and safety."

\$1.2 Billion in Counterfeit Goods

Between Oct. 1, 2019 and Sept. 30, 2020, the [top five categories of goods](#) CBP seized by total number of shipments were:

1. Handbags and Wallets (17% of total shipments seized)
2. Wearing Apparel and Accessories (14%)
3. Footwear (13%)
4. Watches and Jewelry (13%)
5. Consumer Electronics (11%)

During the 2020 fiscal year, CBP processed \$2.4 trillion in imports. By the end of fiscal year 2019, it recorded more than 23,700 seizures of counterfeit goods, with an estimated value of \$1.2 billion. According to the CBP, proceeds from sales of counterfeit goods fund criminal organizations engaged in drug trafficking, weapons smuggling, financial crime and other illicit activities.