

**UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

JOHN DOE NOS. 1-3,

Plaintiffs,

v.

**THE PARTNERSHIPS AND
UNINCORPORATED ASSOCIATIONS
IDENTIFIED ON SCHEDULE “A,”**

Defendants.

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Civil Action No. _____

JURY TRIAL DEMANDED

AMENDED COMPLAINT

Plaintiffs Curv Brands, LLC, Curv Group, LLC, and Keysmart, LLC (collectively, “Plaintiffs”), by and through their undersigned counsel, hereby file this Complaint against the entities identified on Schedule A hereto (collectively, “Defendants”). In support thereof, Plaintiffs state as follows:

JURISDICTION AND VENUE

1. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Lanham Act, 15 U.S.C. § 1051, et seq., the Copyright Act, 17 U.S.C. § 501, et seq., the Patent Act, 35 U.S.C. § 101 *et seq.*, 28 U.S.C. §§ 1338(a) and 1331. This Court has jurisdiction over the claims in this action that arise under the laws of the State of Illinois pursuant to 28 U.S.C. § 1367(a) because the state law claims are so related to the federal claims that they form part of the same case or controversy and derive from a common nucleus of operative facts.

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendants because each of the Defendants directly target business activities toward consumers in the United States, including Illinois, through their

operation of, or assistance in the operation of, the fully interactive, commercial Internet stores operating under the Online Marketplace Accounts identified in Schedule A attached hereto (collectively, the “Defendant Internet Stores”), as well as the shipment of products offered for sale on those Defendant Internet Stores. Specifically, Defendants manufacture, list for sale, sell, and/or ship products to Illinois residents that use infringing copies of Plaintiffs’ registered trademark, the Certificate of Registration of which is attached hereto as Exhibit 1 (“Plaintiffs’ Trademark”). Defendants have committed and have knowingly participated in the commission of tortious acts in Illinois, causing Plaintiffs substantial injury in the U.S. and in the State of Illinois specifically.

INTRODUCTION

3. Plaintiffs specialize in the design, manufacturing, sale, and distribution of compact key organizers with build-in smart technology. This action has been filed by Plaintiffs to combat online counterfeiters and infringers who trade upon Plaintiffs’ reputation and goodwill by selling and/or offering for sale unauthorized and unlicensed counterfeit and infringing products (the “Counterfeit Products”) using counterfeit versions of Plaintiffs’ Trademark KEYSMART, copyright-protected marketing materials (the “Copyrighted Marketing Material”), and products that embody Plaintiffs’ patented design. On information and belief, Defendants create the Defendant Internet Stores by the dozens and design them to appear to be selling genuine copies of Plaintiffs’ products, while they are actually selling Counterfeit Products to unknowing consumers.

4. The Defendant Internet Stores share unique identifiers establishing a logical relationship between them and reflecting that Defendants’ counterfeiting operation arises out of the same transaction, occurrence, or series of transactions or occurrences. Defendants attempt to avoid liability by going to great lengths to conceal both their identities and the full scope and interworking of their counterfeiting operation, including changing the names of their stores

multiple times, opening new stores, helping their friends open stores, and making subtle changes to their Counterfeit Products.

5. Plaintiffs are forced to file this action to combat Defendants' infringement of Plaintiffs' Trademark, Copyrighted Marketing Material, and patented design as well as to protect unknowing consumers from purchasing the Counterfeit Products over the Internet. Plaintiffs have been and continue to be irreparably harmed by Defendants' infringement of Plaintiffs' Trademark, copyrights, and patent and, therefore, Plaintiffs seek injunctive relief to halt such infringement and irreparable harm. Plaintiffs also seek monetary relief for the injury it is sustaining.

THE PARTIES

Plaintiffs

6. Plaintiff Curv Brands, LLC, is a limited liability company having a place of business at ~~the address disclosed~~ 860 Bonnie Lane, Elk Grove Village, Illinois 60007; as reflected in the federal trademark registration information for KEYSMART that is attached hereto as Exhibit 1.

7. Plaintiff Curv Group, LLC, is a limited liability company having a place of business at 801 South Miami Avenue, #3910, Miami, Florida 33130; as reflected in tin the copyright registration information attached hereto as Exhibit 2

8. Plaintiff KeySmart, LLC, is a limited liability company that is affiliated with, and shares common ownership, with Curv Brands, LLC and Curv Group, LLC. KeySmart, LLC has a place a business at 3726 North Lakewood Avenue, Apt. 2, Chicago, Illinois 60613.

9. Plaintiffs, collectively, are the creators and sellers of devicescompact key organizers with built-in smart technology ("Plaintiffs' Products"). Plaintiffs market and sell Plaintiffs' Products that embody Plaintiffs' patented design and do so using Plaintiffs' Trademark and Copyrighted Marketing Material.

10. Plaintiffs' Trademark is registered with the United States Patent and Trademark Office. A true and correct copy of the Registration Certificate is included as Exhibit 1 hereto.

11. The U.S. registration for Plaintiffs' Trademark is valid, subsisting, in full force and effect and incontestable pursuant to 15 U.S.C. § 1065. The registration for Plaintiffs' Trademark constitute *prima facie* evidence of their validity and of Plaintiffs' exclusive right to use Plaintiffs' Trademark pursuant to 15 U.S.C. § 1057(b). Plaintiffs' Trademark has been used exclusively and continuously by Plaintiffs since 2015 and has never been abandoned.

12. Plaintiffs' Trademark is displayed extensively on Plaintiffs' Products and in Plaintiffs' marketing and promotional materials. Plaintiffs' Trademark has been the subject of substantial and continuous marketing and promotion by Plaintiffs at great expense.

13. Plaintiffs have expended substantial time, money, and other resources in developing, advertising, and otherwise promoting Plaintiffs' Trademark. As a result, products bearing Plaintiffs' Trademark are widely recognized and exclusively associated by consumers, the public, and the trade as being products sourced from Plaintiffs.

14. Plaintiffs' names and Plaintiffs' Trademark have become well-known worldwide.

15. Plaintiffs' Trademark is distinctive when applied to Plaintiffs' Products, signifying to the purchaser that the products come from Plaintiffs and are manufactured to Plaintiffs' high quality standards.

16. Whether Plaintiffs manufacture the products themselves or license others to do so, Plaintiffs have ensured that products bearing their trademarks are manufactured to the highest quality standards.

17. Plaintiffs' Trademark has achieved recognition, which has only added to the inherent distinctiveness of the mark. As such, the goodwill associated with Plaintiffs' Trademark is incalculable and of inestimable value to Plaintiffs.

18. Plaintiffs use original works of authorship to market and sell Plaintiffs' Products online as well as through conventional brick-and-mortar retail outlets. The Certificates of Registration (VA-2-254-922, VA-2-254-923, and TXu-2-260-636) and associated copyrighted works that comprise Plaintiffs' Copyrighted Marketing Material are attached hereto as Exhibit 2.

19. Plaintiffs' Products embody Plaintiffs' proprietary design that is the subject of U.S. Patent No. D 705,533 S (the "533 patent"), which is attached hereto as Exhibit 3.

20. Plaintiffs have generated millions of dollars in sales from Plaintiffs' Products that embody Plaintiffs' patented design. Plaintiffs' Products are marketed using Plaintiffs' Trademark and Plaintiffs' Copyrighted Marketing Material through on-line retailers, such as Amazon and eBay (among others), as well as through conventional retail stores.

The Defendants

21. Defendants are individuals and business entities who reside in the People's Republic of China or other foreign jurisdictions. Defendants conduct business or assist in business activity conducted throughout the United States (including within the State of Illinois and this Judicial District) through the manufacturing, online advertising and offering for sale, and importation and distribution of the Counterfeit Products using counterfeit and infringing versions of Plaintiffs' Trademark and/or Plaintiffs' Copyrighted Marketing Material. Each Defendant has targeted the United States, including Illinois specifically, by selling or offering for sale, or knowingly assisting in the selling or offering for sale, Counterfeit Products to U.S. consumers, including consumers located in Illinois, via various online stores.

22. Defendants appear to be an interrelated group of counterfeiters and infringers, who create numerous Defendant Internet Stores and design these stores to appear to be selling genuine Plaintiffs' Products, while they are actually selling inferior, unauthorized imitations of Plaintiffs' Products. The Defendant Internet Stores share unique identifiers, such as the following: common design elements, the same or similar Counterfeit Products that they offer for sale, similar Counterfeit Product descriptions, the same or substantially similar shopping cart platforms, the same accepted payment methods, the same check-out methods, the same dearth of contact information, and identically or similarly priced Counterfeit Products and volume sales discounts. The foregoing similarities establish a logical relationship between them and suggest that Defendants' illegal operations arise out of the same series of transactions or occurrences. Tactics used by Defendants to conceal their identities and the full scope of their counterfeiting operation make it virtually impossible for Plaintiffs to learn the precise scope and the exact interworking of their counterfeit network. In the event that Defendants provide additional credible information regarding their identities, Plaintiffs will take appropriate steps to amend the Complaint.

DEFENDANTS' UNLAWFUL CONDUCT

23. The success of Plaintiffs' business, and of Plaintiffs' Products in particular, has resulted in significant counterfeiting. Consequently, Plaintiffs have recently instituted a worldwide anti-counterfeiting program to investigate suspicious online marketplace listings. In recent years, Plaintiffs have identified hundreds of fully interactive, commercial Internet stores on various e-commerce platforms, including the Defendant Internet Stores, which are offering Counterfeit Products for sale to consumers in this Judicial District and throughout the United States. Internet websites like the Defendant Internet Stores are estimated to receive tens of millions of visits per year and generate over \$509 billion in annual online sales in 2016 alone. *See* Exhibit 4. According

to an intellectual property rights seizures statistics report issued by the United States Department of Homeland Security, the manufacturer's suggested retail price (MSRP) of goods seized by the U.S. government in fiscal year 2018 was over \$1.4 billion. *See id.*

24. E-commerce retail platforms such as those used by Defendants do not adequately subject new sellers to verification and confirmation of their identities, allowing counterfeiters to "routinely use false or inaccurate names and addresses when registering with these e-commerce platforms." *See* Ex. 5, Report concerning "Combating Trafficking in Counterfeit and Pirated Goods" prepared by the U.S. Department of Homeland Security's Office of Strategy, Policy, and Plans dated January 24, 2020 (finding that on "at least some e-commerce platforms, little identifying information is necessary for a counterfeiter to begin selling" and recommending that "[s]ignificantly enhanced vetting of third-party sellers" is necessary).

25. Counterfeiters hedge against the risk of being caught and having their websites taken down from an e-commerce platform by preemptively establishing multiple virtual storefronts. (Ex. 5 at 22). While some platforms such as Amazon have recently taken steps to attempt to address these shortcomings, the foregoing deficiencies largely remain.

26. Defendants have targeted sales to U.S. residents, including Illinois residents, by setting up and operating e-commerce stores that target U.S. consumers using one or more aliases identified Schedule A attached hereto, offering shipping to the United States, including Illinois, accepting payment in U.S. dollars, and having sold Counterfeit Products to residents of Illinois.

27. Defendants employ and benefit from substantially similar advertising and marketing strategies. For example, Defendants facilitate sales by designing Defendant Internet Stores so that they appear to unknowing consumers to be authorized online retailers, outlet stores, or wholesalers. Defendant Internet Stores appear sophisticated and accept payment in U.S. dollars

via credit cards, Amazon Pay, Western Union, and/or PayPal. Defendant Internet Stores often include content and images that make it very difficult for consumers to distinguish such stores from an authorized retailer. Plaintiffs have not licensed or authorized Defendants to use Plaintiffs' Trademark. Plaintiffs have not licensed or authorized Defendants to reproduce, distribute, publicly display, or otherwise use Plaintiffs' Copyrighted Marketing Material. Plaintiffs have not licensed or authorized Defendants to make, use, offer for sale, sell, or import into the United States products embodying Plaintiffs' patented design that is the subject of the '533 patent. Further, none of the Defendants are authorized retailers of genuine versions of Plaintiffs' Products.

28. On information and belief, Defendants have engaged in fraudulent conduct when registering the Defendant Internet Stores by providing false, misleading, and/or incomplete information to e-commerce platforms, including at least Amazon Alibaba, DHGate, eBay, and Wish. On information and belief, certain Defendants have anonymously registered and maintained aliases to prevent discovery of their true identities and the scope of their e-commerce operation.

29. On information and belief, Defendants regularly register or acquire new seller aliases for the purpose of offering for sale and selling Counterfeit Products on e-commerce platforms such as Amazon Alibaba, DHGate, eBay, Wish, and more. Such seller alias registration patterns are one of many common tactics used by Defendants to conceal their identities and the full scope and interworking of their counterfeiting operation, and to avoid being shut down.

30. Even though operating under multiple fictitious aliases, unauthorized on-line retailers such as the Defendant Internet Stores often share unique identifiers, such as templates with common design elements that intentionally omit any contact information or other identifying information and likewise omit other seller aliases that they use. Further, counterfeit products offered for sale by unauthorized retailers such as the Defendant Internet Stores often bear

irregularities and indicia of being counterfeit that are similar to one another, suggesting that the Counterfeit Products were manufactured by and come from a common source and that these unauthorized retailers are interrelated.

31. Groups of counterfeiters such as Defendants here are typically in communication with each other. They regularly participate in QQ.com chat rooms, and also communicate through websites such as sellerdefense.cn, kaidianyo.com and kuajingvs.com, where they discuss tactics for operating multiple accounts, evading detection, pending litigation, and potential new lawsuits.

32. Counterfeiters such as Defendants commonly operate under multiple seller aliases and payment accounts so that they can continue operation in spite of enforcement efforts. Analysis of financial account transaction logs from previous similar cases indicates that off-shore counterfeiters regularly move funds from U.S.-based financial accounts to off-shore accounts outside the jurisdiction of this Court. Here, on information and belief, Defendants maintain off-shore bank accounts and regularly move funds from their financial accounts that are associated with the activity complained of herein to such off-shore accounts based outside of the jurisdiction of this Court. On information and belief, Defendants undertake such activity in an attempt to avoid payment of any monetary judgment awarded based on their counterfeiting and other infringement of intellectual property rights.

33. On information and belief, Defendants are an interrelated group of counterfeiters working in active concert to knowingly and willfully manufacture, import, distribute, offer for sale, and sell Counterfeit Products in the same transaction, occurrence, or series of transactions or occurrences. Defendants, without any authorization or license from Plaintiffs, have knowingly and willfully used and continue to use Plaintiffs' Trademark, illicit copies of Plaintiffs' Copyrighted Marketing Material, and infringing copies of Plaintiffs' patented design as claimed in the '533

patent, in connection with the reproduction, public display, advertisement, importation, distribution, offering for sale, and sale of Counterfeit Products into the United States, including Illinois, over the Internet.

34. Defendants are engaged in the unauthorized reproduction, distribution, and public display of Plaintiffs' Copyrighted Marketing Material.

35. Defendants' use of Plaintiffs' Trademark in connection with the advertising, distribution, offering for sale, and/or sale of Counterfeit Products, including the sale of Counterfeit Products into the United States, including Illinois, is likely to cause and has caused confusion, mistake, and deception by and among consumers and is irreparably harming Plaintiff.

36. Defendants have, without authorization, made, used, offered for sale, sold, and imported into the United States, products embodying designs that infringe the '533 patent.

COUNT I
TRADEMARK INFRINGEMENT AND COUNTERFEITING (15 U.S.C. § 1114)

37. Plaintiffs hereby re-allege and incorporate by reference all the allegations set forth in the preceding paragraphs.

38. Plaintiffs' Trademark is a highly distinctive mark. Consumers have come to expect the highest quality from Plaintiffs' Products offered, sold, and/or marketed under Plaintiffs' Trademark.

39. Defendants have sold, offered for sale, marketed, distributed, and advertised, products using counterfeit reproductions of Plaintiffs' Trademark without Plaintiffs' permission.

40. Plaintiff Curv Brands, LLC is the exclusive owner of Plaintiffs' Trademark. The United States Registration for Plaintiffs' Trademark (Exhibit 1) is in full force and effect. On information and belief, Defendants have knowledge of Plaintiffs' rights in Plaintiffs' Trademark, and are willfully infringing and intentionally using counterfeits of Plaintiffs' Trademark.

Defendants' willful, intentional, and unauthorized use of Plaintiffs' [Trademark is likely to cause and is causing confusion, mistake, and deception as to the origin and quality of the Counterfeit Products among the public.

41. Defendants' activities constitute willful trademark infringement and counterfeiting under Section 32 of the Lanham Act, 15 U.S.C. § 1114.

42. Plaintiffs have no adequate remedy at law, and if Defendants' actions are not enjoined, Plaintiffs will continue to suffer irreparable harm to their reputation and the goodwill of Plaintiffs' Trademark.

43. The injuries and damages sustained by Plaintiffs have been directly and proximately caused by Defendants' wrongful reproduction, use, advertisement, promotion, offering to sell, and sale of unauthorized versions of Plaintiffs' Products bearing Plaintiffs' Trademark.

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

(1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:

- a. using Plaintiffs' Trademark or any reproductions, counterfeit copies or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine product or is not authorized by Plaintiffs to be sold in connection with Plaintiffs' Trademark;
- b. passing off, inducing, or enabling others to sell or pass off any product as a genuine product or any other product produced by Plaintiffs, that is not

Plaintiffs' or not produced under the authorization, control, or supervision of Plaintiffs and approved by Plaintiffs for sale under Plaintiffs' Trademark;

- c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit Products are sold under the authorization, control, or supervision of Plaintiffs, or are sponsored by, approved by, or otherwise connected with Plaintiffs;
- d. further infringing Plaintiffs' Trademark and damaging Plaintiffs' goodwill;
- e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiffs, nor authorized by Plaintiffs to be sold or offered for sale, and which bear Plaintiffs' Trademark, or any reproductions, counterfeit copies or colorable imitations thereof.

(2) Entry of an Order that, upon Plaintiffs' request, all persons acting for, with, by, through, under or in active concert with Defendants, and those with notice of the injunction, including, without limitation, any online marketplace platforms such as, for example, eBay, Alibaba, Amazon, DHGate and Wish.com, sponsored search engine or ad-word providers, credit card companies, banks, merchant account providers, third party processors and other payment processing service providers, and Internet search engines such as Google, Bing and Yahoo (collectively, the "Third Party Providers") shall:

- a. disable and cease providing services being used by Defendants, currently or in the future, to engage in the sale of goods using Plaintiffs' Trademark;

- b. disable and cease displaying any advertisements used by or associated with Defendants in connection with the sale of counterfeit and infringing goods using Plaintiffs' Trademark; and
- c. take all steps necessary to prevent links to the Defendant Internet Stores identified on Schedule A from displaying in search results, including, but not limited to, removing links to the Defendant Internet Stores from any search index;

(3) That Plaintiffs be awarded statutory damages for willful trademark counterfeiting pursuant to 15 U.S.C. § 1117(c)(2) of \$2,000,000 per infringed mark per type of good sold;

(4) In the alternative, that Defendants account for and pay to Plaintiffs all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of Plaintiffs' Trademark be increased by a sum not exceeding three times the amount thereof as provided by 15 U.S.C. § 1117;

(5) That Plaintiffs be awarded their reasonable attorneys' fees and costs; and

(6) That Plaintiffs be awarded any and all other relief that this Court deems just and proper.

COUNT II

FALSE DESIGNATION OF ORIGIN

44. Plaintiffs hereby re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs.

45. Defendants' promotion, marketing, offering for sale, and sale of the Counterfeit Products has created and is creating a likelihood of confusion, mistake, and deception among the general public as to the affiliation, connection, or association with Plaintiffs or the origin, sponsorship, or approval of Defendants' Counterfeit Products by Plaintiffs.

46. By using Plaintiffs' Trademark on the Counterfeit Products, Defendants create a false designation of origin and a misleading representation of fact as to the origin and sponsorship of the Counterfeit Products.

47. Defendants' false designation of origin and misrepresentation of fact as to the origin and/or sponsorship of the Counterfeit Products to the general public involves the use of counterfeit marks and is a willful violation of Section 43 of the Lanham Act, 15 U.S.C. § 1125.

48. Plaintiffs have no adequate remedy at law and, if Defendants' actions are not enjoined, Plaintiffs will continue to suffer irreparable harm to their reputation and the associated goodwill of Plaintiffs' brand.

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

(1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:

- a. using Plaintiffs' Trademark or any reproductions, counterfeit copies or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine product or is not authorized by Plaintiffs to be sold in connection with Plaintiffs' Trademark;
- b. passing off, inducing, or enabling others to sell or pass off any product as a genuine product or any other product produced by Plaintiffs, that is not Plaintiffs' or not produced under the authorization, control, or supervision of Plaintiffs and approved by Plaintiffs for sale under Plaintiffs' Trademark;

- c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit Products are those sold under the authorization, control or supervision of Plaintiffs, or are sponsored by, approved by, or otherwise connected with Plaintiffs;
 - d. further infringing Plaintiffs' Trademark and damaging Plaintiffs' goodwill; and
 - e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiffs, nor authorized by Plaintiffs to be sold or offered for sale, and which bear Plaintiffs' Trademark, or any reproductions, counterfeit copies or colorable imitations thereof;
- (2) That Defendants account for and pay to Plaintiffs all profits realized by Defendants by reason of Defendants' unlawful acts herein alleged, and that the amount of damages for infringement of Plaintiffs' Trademark be increased by a sum not exceeding the statutory limit;
- (3) Plaintiffs' costs and reasonable attorneys' fees;
- (4) Both pre-judgment and post-judgment interest; and
- (5) Such other and further relief as this Court finds just and equitable.

COUNT III
VIOLATION OF ILLINOIS UNIFORM DECEPTIVE TRADE PRACTICES ACT
(815 ILCS § 510, et seq.)

49. Plaintiffs hereby re-allege and incorporate by reference the allegations set forth in the preceding paragraphs.

50. Defendants have engaged in acts violating Illinois law including, but not limited to, passing off their Counterfeit Products as those of Plaintiffs, causing a likelihood of confusion as to the source of their goods, causing a likelihood of confusion as to an affiliation, connection, or association with genuine versions of Plaintiffs' Products, representing that their products have Plaintiffs' approval when they do not, and engaging in other conduct which creates a likelihood of confusion among the public.

51. The foregoing acts constitute a willful violation of the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510, et seq.

52. Plaintiffs have no adequate remedy at law, and Defendants' conduct has caused Plaintiffs to suffer damage to their reputation and associated goodwill. Unless enjoined by the Court, Plaintiffs will suffer future irreparable harm as a direct result of Defendants' unlawful activities.

WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

(1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:

- a. using Plaintiffs' Trademark or any reproductions, counterfeit copies or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine product or is not authorized by Plaintiffs be sold in connection with Plaintiffs' Trademark;

- b. passing off, inducing, or enabling others to sell or pass off any product as a genuine product or any other product produced by Plaintiffs that is not Plaintiffs or not produced under the authorization, control, or supervision of Plaintiffs and approved by Plaintiffs for sale under Plaintiffs' Trademark;
- c. committing any acts calculated to cause consumers to believe that Defendants' Counterfeit Products are those sold under the authorization, control or supervision of Plaintiffs, or are sponsored by, approved by, or otherwise connected with Plaintiffs;
- d. further infringing Plaintiffs' Trademark and damaging Plaintiffs' goodwill; and
- e. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiffs, nor authorized by Plaintiffs to be sold or offered for sale, and which bear Plaintiffs' Trademark, or any reproductions, counterfeit copies or colorable imitations thereof;

(2) Plaintiffs' costs and reasonable attorneys' fees pursuant to 815 ILCS § 510/3;

(3) Such other and further relief as this Court finds just and equitable.

COUNT IV
COPYRIGHT INFRINGEMENT (17 U.S.C. § 101 et seq.)

53. Plaintiffs hereby re-alleges and incorporates by reference the allegations set forth in the preceding paragraphs.

54. Plaintiffs' Copyrighted Marketing Material, attached hereto as Exhibit 2, constitutes creative, original works of authorship, fixed in a tangible medium of expression, and protectable under U.S. copyright law. *See* 17 U.S.C. § 102.

55. Plaintiffs have complied with the registration requirements of 17 U.S.C. § 411(a) for Plaintiffs' Copyrighted Marketing Material for obtaining a valid copyright registration for Plaintiffs' Copyrighted Marketing Material.

56. Defendants do not have any ownership interest in Plaintiffs' Copyrighted Marketing Material.

57. Defendants have had access to Plaintiffs' Copyrighted Marketing Material via the internet and other sources.

58. Without authorization from Plaintiffs, or any right under the law, Defendants have, *inter alia*, willfully copied, reproduced, publicly displayed, and distributed, works incorporating Plaintiffs' Copyrighted Marketing Material, in connection with their operation of the Defendant Internet Stores.

59. Defendants' advertisements and e-commerce store product pages for the Counterfeit Products display marketing material that is identical to and/or are substantially similar to Plaintiffs' Copyrighted Marketing Material.

60. Defendants have, therefore, individually, as well as jointly and severally, infringed and continue to infringe Plaintiffs' copyrights in the Copyrighted Marketing Material in violation of 17 U.S.C. § 501(a). *See also* 17 U.S.C. §§ 106(1), (3), (5).

61. Defendants reap the benefits of their unauthorized reproduction, public display, and distribution, of Plaintiffs' Copyrighted Marketing Material through their receipt of substantial revenue, including substantial profit, driven by sales of their Counterfeit Products.

62. Defendants have unlawfully appropriated Plaintiffs' protectable expression by taking material of substance and value and creating advertisements and e-commerce store product pages for the Counterfeit Products that capture the total concept and feel of Plaintiffs' Copyrighted Marketing Material.

63. On information and belief, Defendants' infringement of Plaintiffs' copyrights has been willful, intentional, malicious, and purposeful, and in disregard of, and with indifference to, Plaintiffs' rights.

64. Defendants, by their actions, have caused financial injury to Plaintiffs in an amount to be determined at trial.

65. Defendants' conduct is causing, and unless enjoined and restrained by this Court will continue to cause, Plaintiffs irreparable injury that cannot fully be compensated for or measured monetarily. Plaintiffs have no adequate remedy at law for such injury.

66. In light of the foregoing, and as contemplated by 17 U.S.C. § 502, Plaintiffs seek temporary, preliminary, and permanent injunctive relief prohibiting further infringement of Plaintiffs' copyrights by Defendants.

WHEREFORE, Plaintiffs pray for judgment against Defendants and entry of an Order directing as follows:

(1) That Defendants, their affiliates, officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from reproducing, publicly displaying, and distributing, Plaintiffs' Copyrighted Marketing Material and all colorable imitations thereof, and in assisting third parties in such activity, pursuant to 17 U.S.C. § 502;

(2) That Defendants destroy all copies of Plaintiffs' Copyrighted Marketing Material and all colorable imitations thereof made by, or made under the control of, Defendants;

(3) That Plaintiffs be awarded statutory damages based on Defendants' willful copyright infringement, pursuant to 17 U.S.C. § 504(c)(2), in an amount of \$150,000 per infringed work;

(4) That Plaintiffs be awarded their reasonable attorneys' fees and costs pursuant to 17 U.S.C. § 505; and

(5) That Plaintiffs be awarded any and all other relief that this Court deems just and proper.

COUNT V
DESIGN PATENT INFRINGEMENT

67. Plaintiffs hereby re-alleges and incorporates by reference each of the allegations set forth in the preceding paragraphs.

68. Defendants make, use, sell, offer for sale, and/or import into the United States products that infringe the '533 patent.

69. In the eye of an ordinary observer, the design of the Counterfeit Products and the design claimed in the '533 patent are substantially the same. Said sameness deceives prospective purchasers and induces them to purchase Defendants' products supposing them to have come from Plaintiffs.

70. Defendants' Counterfeit Products misappropriate the novelty of the design claimed in the '533 patent that distinguished Plaintiffs' patented design from the prior art.

71. Defendants make, use, sell, offer for sale, and/or import into the United States for subsequent sale or use the Counterfeit Products, which infringe directly and/or indirectly the ornamental design claimed in the '533 patent.

72. Defendants have infringed the '533 patent through the acts complained of herein and will continue to do so unless enjoined by this Court.

73. Plaintiffs have provided Defendants with notice of Plaintiffs' rights in the '533 patent and of Defendants' infringement of the '533 patent.

74. Defendants' infringement of the '533 patent has been willful.

75. Defendants' infringement of Plaintiffs' '533 patent has caused Plaintiffs to suffer irreparable harm resulting from the loss of their lawful rights under U.S. patent law to exclude others from making, using, selling, offering for sale, and importing the design claimed in the '533 patent.

76. Plaintiffs are entitled to injunctive relief pursuant to 35 U.S.C. § 283.

77. Plaintiffs are entitled to recover damages adequate to compensate Plaintiffs for Defendants' infringement of the '533 patent, including Defendants' profits pursuant to 35 U.S.C. § 289.

78. Plaintiffs are entitled to recover any other damages as appropriate pursuant to 35 U.S.C. § 284.

WHEREFORE, Plaintiffs pray for judgment against Defendants and entry of an Order directing as follows:

(1) Defendants, their officers, agents, servants, employees, attorneys, confederates, and all persons acting for, with, by, through, under, or in active concert or participation with them be permanently enjoined and restrained from:

- a. Making, using, importing, offering for sale, and selling any products not authorized by Plaintiffs that include any reproduction, copy, or colorable imitation of the design claimed in the '533 patent;
- b. effecting assignments or transfers, forming new entities or associations, or utilizing any other device for the purpose of circumventing or otherwise avoiding the prohibitions set forth herein; and
- c. aiding, abetting, contributing to, or otherwise assisting anyone in infringing the '533 patent.

(2) Directing that Defendants deliver for destruction all products that include the design claimed in the '533 patent as well as all means for making such designs.

(3) Awarding Plaintiffs such damages as it may prove at trial that are adequate to compensate Plaintiffs for Defendants' infringement of the '533 patent, and awarding Plaintiffs all of the profits realized by Defendants, or others acting in concert or participation with Defendants, from Defendants' unauthorized use and infringement of the '533 patent.

(4) Awarding Plaintiffs all other damages that it may be entitled to under applicable law.

(5) Awarding Plaintiffs their costs in bringing this action.

(6) Awarding Plaintiffs any further relief that this Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiffs hereby demand a jury trial on all issues triable as of right to a jury. Fed. R. Civ.

P. 38(b).

Date: October 4, 2021

Respectfully submitted,

/s/DALIAH SAPER

Daliah Saper (ARDC No. 6283932)

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Attorneys for Plaintiffs

EXHIBIT 1

United States of America

United States Patent and Trademark Office

KeySmart

Reg. No. 5,621,449

Registered Dec. 04, 2018

Int. Cl.: 6

Trademark

Principal Register

Curv Brands, LLC (ILLINOIS LIMITED LIABILITY COMPANY)
860 Bonnie Lane
Elk Grove Village, ILLINOIS 60007

CLASS 6: Key holders primarily of metal

FIRST USE 2-1-2015, The mark was first used anywhere in a different form other than that sought to be registered at least as early as 06/13/2013; IN COMMERCE 2-1-2015, The mark was first used in commerce in a different form other than that sought to be registered at least as early as 06/13/2013

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PARTICULAR FONT STYLE, SIZE OR COLOR

OWNER OF U.S. REG. NO. 5338321, 4480717, 5338096

SER. NO. 87-870,108, FILED 04-10-2018



Andrei Iancu

Director of the United States
Patent and Trademark Office

REQUIREMENTS TO MAINTAIN YOUR FEDERAL TRADEMARK REGISTRATION

WARNING: YOUR REGISTRATION WILL BE CANCELLED IF YOU DO NOT FILE THE DOCUMENTS BELOW DURING THE SPECIFIED TIME PERIODS.

Requirements in the First Ten Years*

What and When to File:

- **First Filing Deadline:** You must file a Declaration of Use (or Excusable Nonuse) between the 5th and 6th years after the registration date. See 15 U.S.C. §§1058, 1141k. If the declaration is accepted, the registration will continue in force for the remainder of the ten-year period, calculated from the registration date, unless cancelled by an order of the Commissioner for Trademarks or a federal court.
- **Second Filing Deadline:** You must file a Declaration of Use (or Excusable Nonuse) and an Application for Renewal between the 9th and 10th years after the registration date.* See 15 U.S.C. §1059.

Requirements in Successive Ten-Year Periods*

What and When to File:

- You must file a Declaration of Use (or Excusable Nonuse) and an Application for Renewal between every 9th and 10th-year period, calculated from the registration date.*

Grace Period Filings*

The above documents will be accepted as timely if filed within six months after the deadlines listed above with the payment of an additional fee.

***ATTENTION MADRID PROTOCOL REGISTRANTS:** The holder of an international registration with an extension of protection to the United States under the Madrid Protocol must timely file the Declarations of Use (or Excusable Nonuse) referenced above directly with the United States Patent and Trademark Office (USPTO). The time periods for filing are based on the U.S. registration date (not the international registration date). The deadlines and grace periods for the Declarations of Use (or Excusable Nonuse) are identical to those for nationally issued registrations. See 15 U.S.C. §§1058, 1141k. However, owners of international registrations do not file renewal applications at the USPTO. Instead, the holder must file a renewal of the underlying international registration at the International Bureau of the World Intellectual Property Organization, under Article 7 of the Madrid Protocol, before the expiration of each ten-year term of protection, calculated from the date of the international registration. See 15 U.S.C. §1141j. For more information and renewal forms for the international registration, see <http://www.wipo.int/madrid/en/>.

NOTE: Fees and requirements for maintaining registrations are subject to change. Please check the USPTO website for further information. With the exception of renewal applications for registered extensions of protection, you can file the registration maintenance documents referenced above online at <http://www.uspto.gov>.

NOTE: A courtesy e-mail reminder of USPTO maintenance filing deadlines will be sent to trademark owners/holders who authorize e-mail communication and maintain a current e-mail address with the USPTO. To ensure that e-mail is authorized and your address is current, please use the Trademark Electronic Application System (TEAS) Correspondence Address and Change of Owner Address Forms available at <http://www.uspto.gov>.

EXHIBIT 2

Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Shirley Perlmutter

United States Register of Copyrights and Director



Registration Number

VA 2-254-922

Effective Date of Registration:

June 10, 2021

Registration Decision Date:

June 11, 2021

Copyright Registration for a Group of Published Photographs

Registration issued pursuant to 37 C.F.R. § 202.4(i)

For Photographs Published: March 01, 2016 to June 01, 2016

Title

Title of Group: KeySmart Product Pictures 2016
Number of Photographs in Group: 3

- **Individual Photographs:** Keysmart-7 03.01.2016, Keysmart-8 03.01.2016
Published: March 2016
- **Individual Photographs:** Keysmart-17 06.01.2016
Published: June 2016

Completion/Publication

Year of Completion: 2016
Earliest Publication Date in Group: March 01, 2016
Latest Publication Date in Group: June 01, 2016
Nation of First Publication: United States

Author

- **Author:** Curv Group, LLC
Author Created: photographs
Work made for hire: Yes
Citizen of: United States

Copyright Claimant

Copyright Claimant: Curv Group, LLC
801 S. Miami Ave., #3910, Miami, FL, 33130, United States

Rights and Permissions

Organization Name: Curv Group, LLC
Address: 801 S. Miami Ave.
#3910
Miami, FL 33130 United States

Certification

Name: Jitendra Kumar
Date: June 10, 2021

Copyright Office notes: Regarding title information: Deposit contains complete list of titles that correspond to the individual photographs included in this group.

Regarding group registration: A group of published photographs may be registered on one application with one filing fee only under limited circumstances. ALL of the following are required: 1. All photographs (a) were created by the same author AND (b) are owned by the same copyright claimant AND (c) were published in the same calendar year AND 2. The group contains 750 photographs or less AND 3. A sequentially numbered list of photographs containing the title, file name and month of publication for each photograph included in the group must be uploaded along with other required application materials. The list must be submitted in an approved document format such as .XLS or .PDF. The file name for the numbered list must contain the title of the group and the Case Number assigned to the application.





Attach to any car key or fob
Loop piece included



Expandable to your needs



Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Shirley Perlmutter
United States Register of Copyrights and Director

Registration Number

VA 2-254-923

Effective Date of Registration:

June 10, 2021

Registration Decision Date:

June 11, 2021

Copyright Registration for a Group of Published Photographs

Registration issued pursuant to 37 C.F.R. § 202.4(i)

For Photographs Published: March 01, 2017 to October 01, 2017

Title

Title of Group: KeySmart Product Pictures 2017
Number of Photographs in Group: 9

- Individual Photographs:** KeySmart-1 03.01.2017, Keysmart-5 03.01.2017, Keysmart-15 03.01.2017
Published: March 2017
- Individual Photographs:** Keysmart-6 06.01.2017, Keysmart-9 06.01.2017
Published: June 2017
- Individual Photographs:** Keysmart-3 10.01.2017, Keysmart-4 10.01.2017, Keysmart-13 10.01.2017, Keysmart-14 10.01.2017
Published: October 2017

Completion/Publication

Year of Completion: 2017
Earliest Publication Date in Group: March 01, 2017
Latest Publication Date in Group: October 01, 2017
Nation of First Publication: United States

Author

- Author:** Curv Group, LLC
Author Created: photographs
Work made for hire: Yes
Citizen of: United States

Copyright Claimant

Copyright Claimant: Curv Group, LLC
801 S. Miami Ave., #3910, Miami, FL, 33130, United States

Rights and Permissions

Organization Name: Curv Group, LLC
Address: 801 S. Miami Ave.
#3910
Miami, FL 33130 United States

Certification

Name: Jitendra Kumar
Date: June 10, 2021

Copyright Office notes: Regarding title information: Deposit contains complete list of titles that correspond to the individual photographs included in this group.

Regarding group registration: A group of published photographs may be registered on one application with one filing fee only under limited circumstances. ALL of the following are required: 1. All photographs (a) were created by the same author AND (b) are owned by the same copyright claimant AND (c) were published in the same calendar year AND 2. The group contains 750 photographs or less AND 3. A sequentially numbered list of photographs containing the title, file name and month of publication for each photograph included in the group must be uploaded along with other required application materials. The list must be submitted in an approved document format such as .XLS or .PDF. The file name for the numbered list must contain the title of the group and the Case Number assigned to the application.





**Easy to Assemble - No tools
required**







Attach to Car Key





Easy to assemble
No tools required



Expandable
Expansion pack included



Certificate of Registration



This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

Shirley P. Matter

United States Register of Copyrights and Director

Registration Number

TXu 2-260-636

Effective Date of Registration:

June 10, 2021

Registration Decision Date:

June 10, 2021

Title

Title of Work: KeySmart Store Text

Completion/Publication

Year of Completion: 2017

Author

- Author: Curv Group, LLC
Author Created: text
Work made for hire: Yes
Citizen of: United States

Copyright Claimant

Copyright Claimant: Curv Group, LLC
801 S. Miami Ave., #3910, Miami, FL, 33130, United States

Rights and Permissions

Organization Name: Curv Group, LLC
Address: 801 S. Miami Ave.
#3910
Miami, FL 33130 United States

Certification

Name: Jitendra Kumar
Date: June 10, 2021

Correspondence: Yes

About this item:

- Key Size Requirements: KeySmart Classic accommodates up to 8 or 14 standard-sized house sized house keys (max of 55mm long and 2mm thick each) depending on which size you choose - no, a car remote does not count as 1 key here
- Easy to assemble, no tools required, holds all of your existing keys - attach your larger car keys or fob remotes with the included Loop piece attachment
- Say goodbye to bulky keyrings, annoying thigh pokes, and key jingle for good - organize that mess and free up your pockets with a KeySmart KeyOrganizer!
- KeySmart's ultra light, compact body is built with aircraft aluminium frames and stainless steel hardware - the patented S-shaped design makes carrying your keys delightful
- How many birthday, Christmas, or holiday presents can you eliminate right now? KeySmart is the perfect stocking stuffer or gift for any occasion that all key owners will love!

Product Description:

Are your keys bulky? Are they noisy? Do they poke you in your pocket? Do you struggle to find the right key when you need it? Your keys are something you use EVERY SINGLE DAY. Who wouldn't want their keys to be easier to use and more comfortable to carry? Get rid of that bulky mess in your pocket! Transform your old keyring into a slim, highly functional, organized key holder. KeySmart is the ultimate minimalist key organizer that eliminates bulky, noisy, ugly, uncomfortable keychains for good. Designed swiss-style so you can always find the right key faster. Patented design fits comfortably in your pocket, and sits elegantly on any surface. No more key jingle, thigh pokes, or holes in your pants! Smaller than a pack of gum! Designed in the USA, KeySmart is machined from aircraft aluminum and stainless steel hardware for a sleek look and a smooth feel. Assemble In Minutes (No Tools Required!) Just unscrew screws, remove top plate, place keys on posts, and re-screw. KeySmart fits your existing keys (no need to run out and get special keys cut.) Fits up to 8 keys. This KeySmart is designed to accommodate flat keys, less than 3.2 inches (80mm) in length. We know many people also have car remotes, fobs, large or oddly shaped keys. A Loop Piece is included with every KeySmart unit, so you can attach larger items if you choose. Also compatible with a large variety of fun, useful accessories. From the MagConnect, Bottle Opener and Key Dangler to the USB Drive and Nano Torch Flashlight, accessories are a great way to personalize your KeySmart and upgrade your everyday carry. Search KeySmart Accessories for a full list of tools that you can put on your KeySmart Key Organizer to make it the ultimate EDC item! KeySmart launched on Kickstarter in 2013 and has been featured on GQ, Lifehacker, Gizmodo, CNET, TechCrunch, and more. We continue to design innovative products that pack more functionality into less space.

Visit the KeySmart Store

KeySmart Classic - Compact Key Holder and Keychain Organizer (up to 14 Keys)



1,183 ratings | 31 answered questions

List Price: ~~\$29.99~~

Price: **\$22.99** ✓prime FREE One-Day

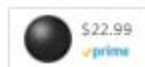
FREE Returns

You Save: **\$7.00 (23%)**

Save up to 10% with business pricing. Sign up for free Amazon Business account

May be available at a lower price from other sellers, potentially without free Prime shipping.

Color Name: Red



\$22.99

✓prime



\$22.99

✓prime

Color	Red
Shape	Oblong
Material	Stainless Steel
Style	Classic
Brand	KeySmart

About this item

- **Key Size Requirements:** KeySmart Classic accommodates up to 8 or 14 standard-sized house keys (max of 55mm long and 2mm thick each) depending on which size you choose - no, a car remote does not count as 1 key here
- Easy to assemble, no tools required, holds all of your existing keys - attach your larger car keys or fob remotes with the included Loop Piece attachment
- Say goodbye to bulky keyrings, annoying thigh pokes, and key jingle for good - organize that mess and free up your pockets with a KeySmart Key Organizer!
- KeySmart's ultra light, compact body is built with aircraft aluminum frames and stainless steel hardware - the patented S-shaped design makes carrying your keys delightful
- How many birthday, Christmas, or holiday presents can you eliminate right now? KeySmart is the perfect stocking stuffer or gift for any occasion that all key owners will love!

EXHIBIT 3

(12) **United States Design Patent**
Tunney

(10) **Patent No.:** **US D705,533 S**
(45) **Date of Patent:** **** May 27, 2014**

(54) **POCKET KEY ORGANIZER**

(71) Applicant: **KeySmart, LLC**, Chicago, IL (US)
(72) Inventor: **Michael Tunney**, Chicago, IL (US)
(73) Assignee: **Keysmart, LLC**, Chicago, IL (US)
(**) Term: **14 Years**
(21) Appl. No.: **29/458,514**
(22) Filed: **Jun. 20, 2013**

(51) **LOC (10) Cl.** **03-01**
(52) **U.S. Cl.**
USPC **D3/207**
(58) **Field of Classification Search**
CPC A44B 9/12
USPC D11/1-2, 14, 26-29, 89-92, 44, 48, 81,
D11/99; 63/26-28, 32; D3/207-212; D8/16,
D8/38, 347, 348; 70/456 B, 457, 458, 408;
206/37.1; D21/576, 593, 594, 606,
D21/609, 610, 611, 659, 660
See application file for complete search history.

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(Continued)

Primary Examiner — Ralf Seifert

(74) *Attorney, Agent, or Firm* — Walter, Palmer & Dawson, LLC; Philip A. Prorok

(57) **CLAIM**

I claim the ornamental design for a pocket key organizer, substantially as shown and described.

DESCRIPTION

FIG. 1 is a front perspective view showing the pocket key organizer;

FIG. 2 is a front view of the pocket key organizer;

FIG. 3 is a rear view of the pocket key organizer;

FIG. 4 is a top view of the pocket key organizer;

FIG. 5 is a bottom view of the pocket key organizer;

FIG. 6 is a right side view of the pocket key organizer;

FIG. 7 is a left side view of the pocket key organizer;

FIG. 8 is a front perspective view of the pocket key organizer;

FIG. 9 is a right side view of the pocket key organizer;

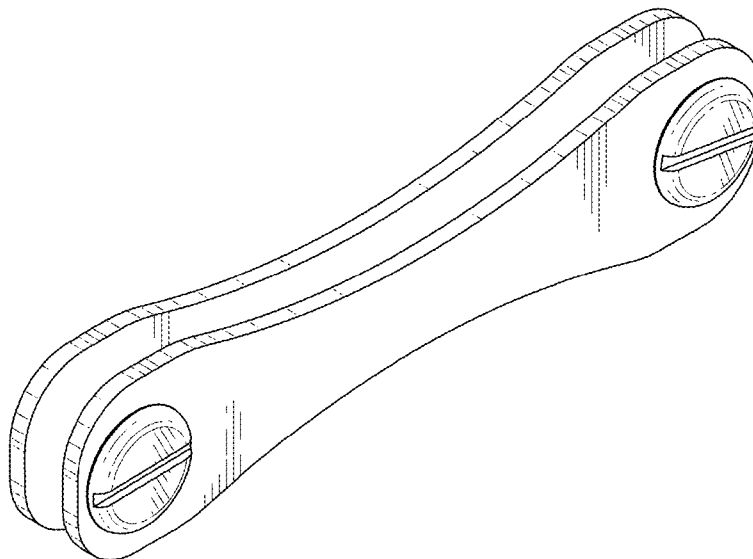
FIG. 10 is a front perspective view of the pocket key organizer; and,

FIG. 11 is a right side view of the pocket key organizer.

The features shown in broken lines in FIGS. 8, 9, 10, and 11 of the drawings are for illustrating the environmental structure and form no part of the claimed design.

The posts shown in FIGS. 2, 3, 4, and 5 of the drawings are shown broken away to indicate indeterminate length, it being understood that the posts have a uniform shape and appearance throughout their length.

1 Claim, 6 Drawing Sheets



(56)

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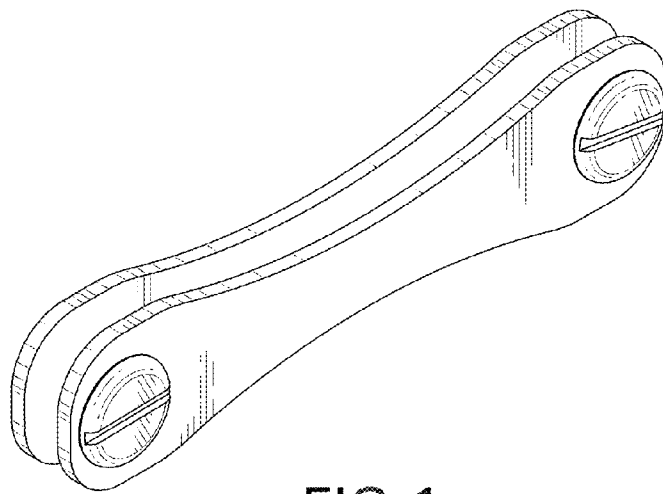


FIG. 1

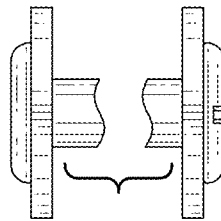


FIG. 2

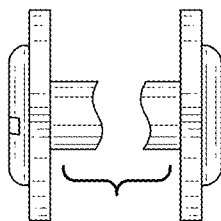


FIG. 3

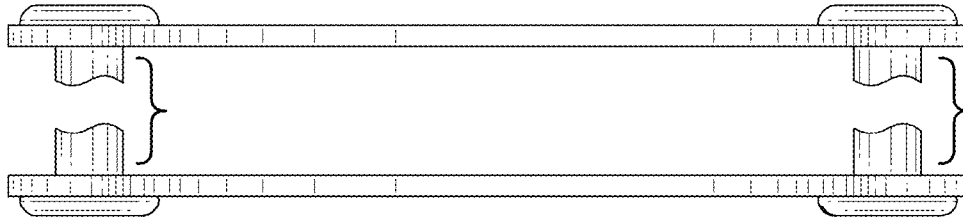


FIG. 4

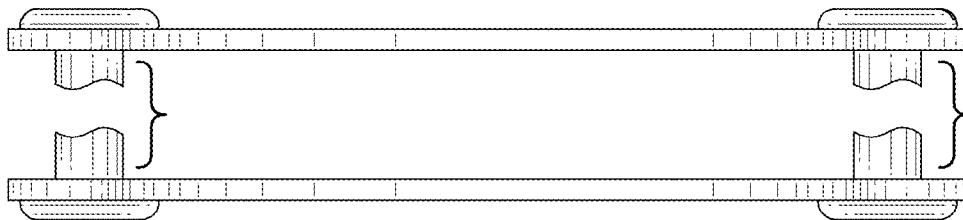


FIG. 5

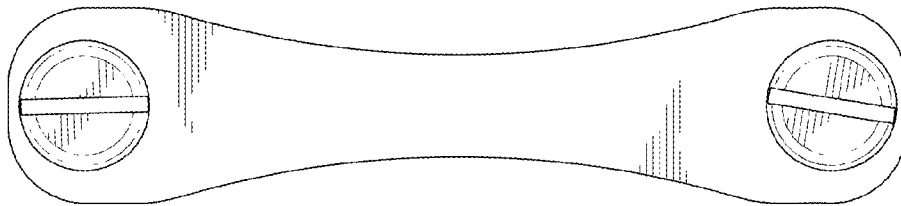


FIG. 6

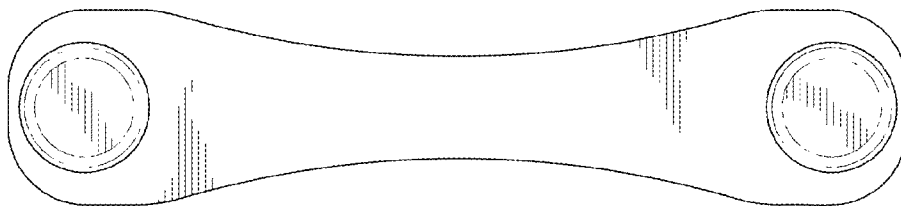


FIG. 7

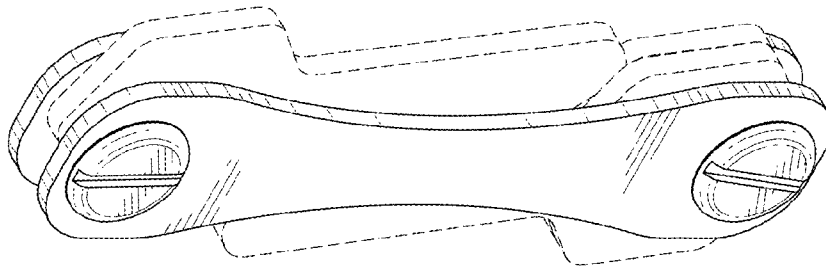


FIG. 8

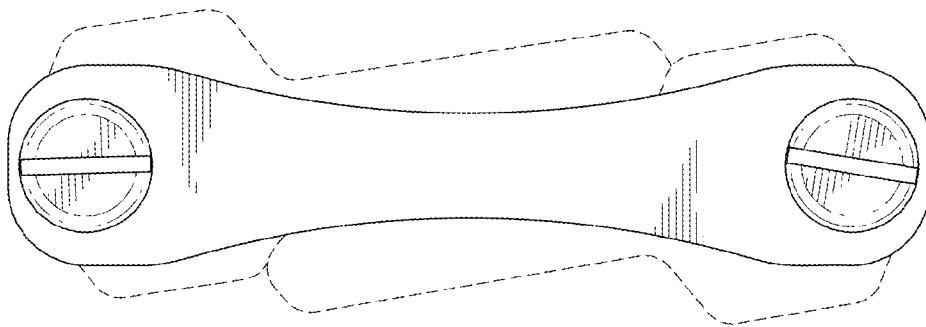


FIG. 9

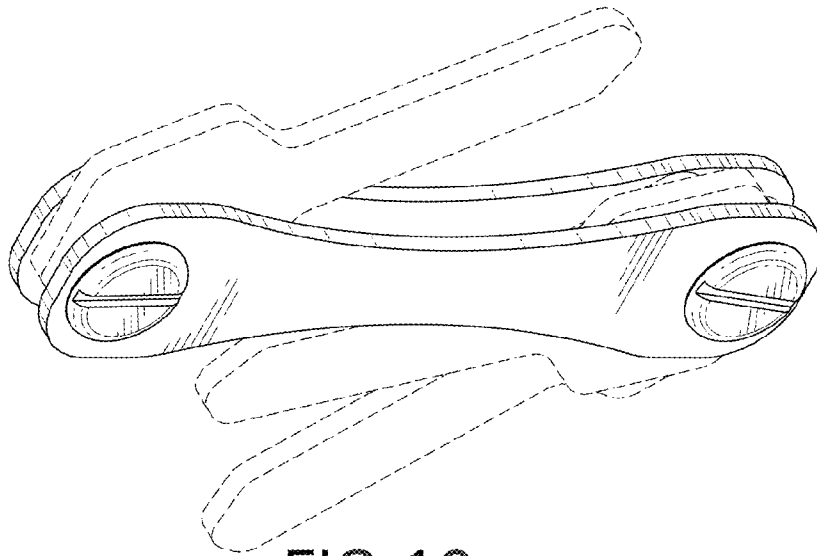


FIG. 10

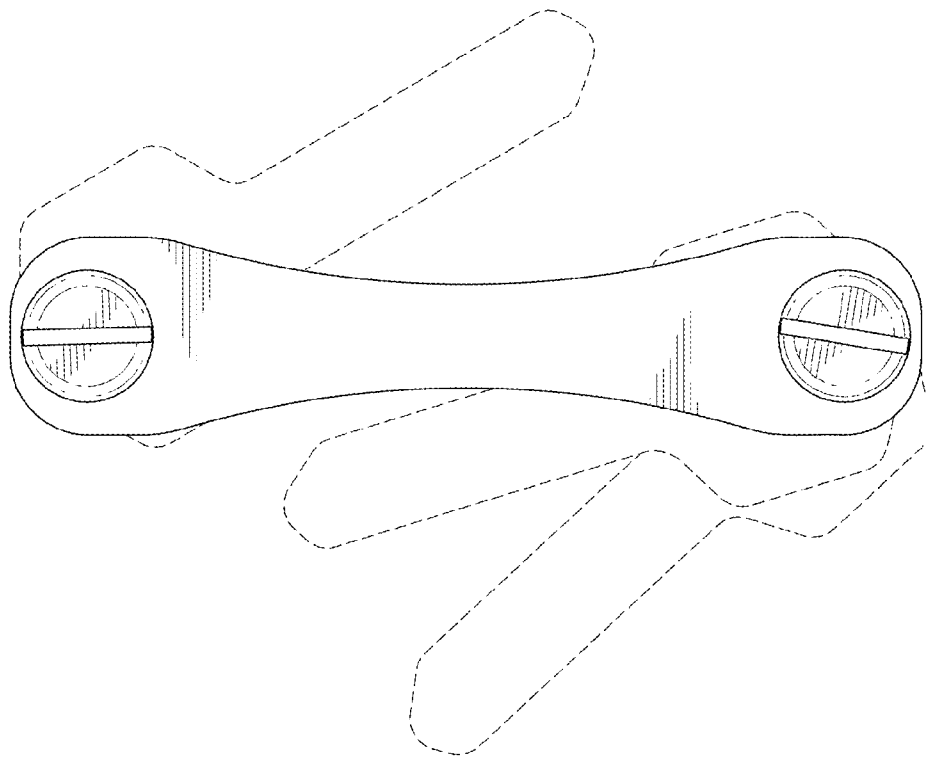


FIG. 11

EXHIBIT 4



Intellectual Property Rights

Fiscal Year 2018 Seizure Statistics

Prepared by

U.S. Customs and Border Protection
Office of Trade



Homeland
Security



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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.



EXECUTIVE SUMMARY

Products that infringe U.S. trademarks and copyrights 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 national interests. U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE) Homeland Security Investigations' (HSI) enforcement of intellectual property rights (IPR) mitigates the financial and welfare risks posed by imports of illicit products.

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. The Department of Homeland Security (DHS) remains vigilant in targeting shipments containing IPR-infringing goods, levying civil fines and criminally investigating those who seek to violate our trade laws, harm consumers, and damage our economy.

In fiscal year (FY) 2018, the number of IPR seizures decreased by 333 seizures to 33,810 from 34,143 in FY 2017. The total estimated manufacturer's suggested retail price (MSRP) of the seized goods, had they been genuine, increased to nearly \$1.4 billion from over \$1.2 billion in FY 2017.

In FY 2018, ICE-HSI arrested 381 individuals, obtained 296 indictments, and received 260 convictions related to intellectual property crimes.



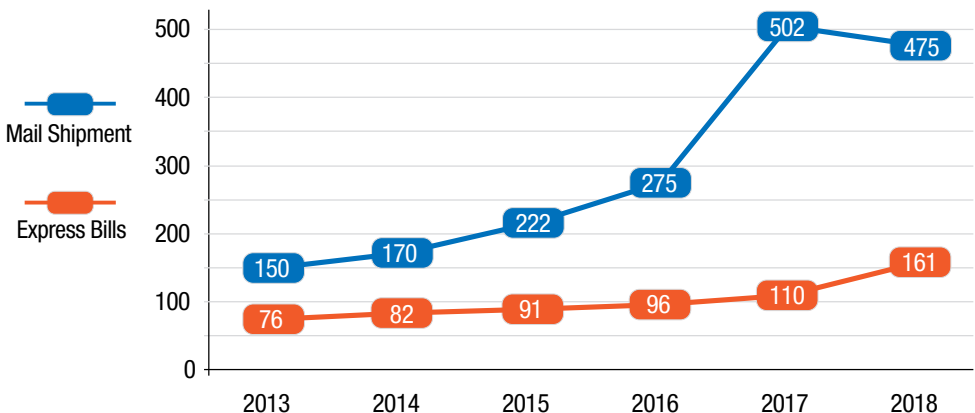
E-commerce sales, including those through third-party platforms, have resulted in a sharp increase in the shipment of small packages into the United States. In FY 2018, there were 161 million express shipments, and 475 million packages shipped through the international mail environment.

Over 90% of all intellectual property seizures occur in the international mail and express environments. A majority of those fall under the de minimis threshold of \$800.

In March 2018, CBP released its CBP E-Commerce Strategy. The strategy strengthens CBP's ability to protect the public and U.S. economy from noncompliant goods. The strategy drives compliance and enforcement, and promotes coordination. CBP is working toward implementation.

More e-commerce related information can be found at <https://www.cbp.gov/trade/basic-import-export/e-commerce>

Growth of Small Shipment (in millions)



FISCAL YEAR 2018 IPR SEIZURE STATISTICS BY NUMBER OF SEIZURES



FY 2018 TOTALS:

33,810 - NUMBER OF SEIZURES

\$1,399,873,842 - MSRP

EXHIBIT 5



Combating Trafficking in Counterfeit and Pirated Goods

Report to the President of the United States

January 24, 2020



Homeland
Security

Office of Strategy, Policy & Plans

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Foreword/Message from the Acting Secretary of Homeland Security

The rapid growth of e-commerce has revolutionized the way goods are bought and sold, allowing for counterfeit and pirated goods to flood our borders and penetrate our communities and homes. Illicit goods trafficked to American consumers by e-commerce platforms and online third-party marketplaces threaten public health and safety, as well as national security. This illicit activity impacts American innovation and erodes the competitiveness of U.S. manufacturers and workers.

Consumers must be confident in the safety, quality, and authenticity of the products they purchase online. DHS is committed to combating counterfeiters and pirates with the help of our U.S. Government partners and private sector stakeholders - who are critical to helping secure supply chains to stem the tide of counterfeit and pirated goods.



“Combating Trafficking in Counterfeit and Pirated Goods,” has been prepared by the U.S. Department of Homeland Security’s Office of Strategy, Policy, and Plans. The report uses available data, substantial public input, and other information to develop a deeper understanding of how e-commerce platforms, online third-party marketplaces, and other third-party intermediaries facilitate the importation and sale of massive amounts of counterfeit and pirated goods. The report identifies appropriate administrative, statutory, regulatory, and other actions, including enhanced enforcement measures, modernization of legal and liability frameworks, and best practices for private sector stakeholders. These strong actions can be implemented swiftly to substantially reduce trafficking in counterfeit and pirated goods while promoting a safer America.

This report was prepared pursuant to President Donald J. Trump’s April 3, 2019, *Memorandum on Combating Trafficking in Counterfeit and Pirated Goods*. The President’s historic memorandum provides a much warranted and long overdue call to action in the U.S. Government’s fight against a massive form of illicit trade that is inflicting significant harm on American consumers and businesses. This illicit trade must be stopped in its tracks.

This report was prepared in coordination with the Secretaries of Commerce and State, the Attorney General, the Office of Management and Budget, the Intellectual Property Enforcement Coordinator, the United States Trade Representative, the Assistant to the President for Economic Policy, the Assistant to the President for Trade and Manufacturing Policy, and with other partners in the U.S. Government. The report also benefitted from extensive engagement with the private sector.

Sincerely,

Chad Wolf
Acting Secretary,
U.S. Department of Homeland Security

1. Executive Summary

The President's April 3, 2019, *Memorandum on Combating Trafficking in Counterfeit and Pirated Goods* calls prompt attention to illicit trade that erodes U.S. economic competitiveness and catalyzes compounding threats to national security and public safety.

Counterfeiting is no longer confined to street-corners and flea markets. The problem has intensified to staggering levels, as shown by a recent Organisation for Economic Cooperation and Development (OECD) report, which details a 154 percent increase in counterfeits traded internationally — from \$200 billion in 2005 to \$509 billion in 2016. Similar information collected by the U.S. Department of Homeland Security (DHS) between 2000 and 2018 shows that seizures of infringing goods at U.S. borders have increased 10-fold, from 3,244 seizures per year to 33,810.

Relevant to the President's inquiry into the linkages between e-commerce and counterfeiting, OECD reports that "E-commerce platforms represent ideal storefronts for counterfeits and provide powerful platform[s] for counterfeiters and pirates to engage large numbers of potential consumers."¹ Similarly, the U.S. Government Accountability Office (GAO) found that e-commerce has contributed to a shift in the sale of counterfeit goods in the United States, with consumers increasingly purchasing goods online and counterfeiters producing a wider variety of goods that may be sold on websites alongside authentic products.

Respondents to the July 10, 2019, Federal Register Notice issued by the Department of Commerce echoed these observations.² Perhaps most notably, the International Anti-Counterfeiting Coalition (IACC) reports that the trafficking of counterfeit and pirated goods in e-commerce is a top priority for every sector of its membership — comprised of more than 200 corporations, including many of the world's best-known brands in the apparel, automotive, electronics, entertainment, luxury goods, pharmaceutical, personal care and software sectors. The IACC submission goes on to say:

Across every sector of the IACC's membership, the need to address the trafficking of counterfeit and pirated goods in e-commerce has been cited as a top priority. The vast amounts of resources our members must dedicate to ensuring the safety and vitality of the online marketplace, bears out the truth of the issue highlighted by Peter Navarro, Assistant to the President for Trade and Manufacturing Policy, in his April 3, 2019 Op-Ed piece in The Wall Street Journal - that the sale of counterfeit brand-name goods presents a pervasive and ever-growing threat in the online space. One IACC member reported making

¹ OECD (2018), *Governance Frameworks to Counter Illicit Trade*, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/9789264291652-en>.

² Under Federal Register Notice (84 FR 32861), the Department of Commerce sought "comments from intellectual property rights holders, online third-party marketplaces and other third-party intermediaries, and other private-sector stakeholders on the state of counterfeit and pirated goods trafficking through online third-party marketplaces and recommendations for curbing the trafficking in such counterfeit and pirated goods."

hundreds of investigative online test purchases over the past year, with a nearly 80% successfully resulting in the receipt of a counterfeit item.³

The scale of counterfeit activity online is evidenced as well by the significant efforts e-commerce platforms themselves have had to undertake. A major e-commerce platform reports that its proactive efforts prevented over 1 million suspected bad actors from publishing a single product for sale through its platform and blocked over 3 billion suspected counterfeit listings from being published to their marketplace. Despite efforts such as these, private sector actions have not been sufficient to prevent the importation and sale of a wide variety and large volume of counterfeit and pirated goods to the American public.

The projected growth of e-commerce fuels mounting fears that the scale of the problem will only increase, especially under a business-as-usual scenario. Consequently, an effective and meaningful response to the President’s memorandum is a matter of national import.

Actions to be Taken by DHS and the U.S. Government

Despite public and private efforts to-date, the online availability of counterfeit and pirated goods continues to increase. Strong government action is necessary to fundamentally realign incentive structures and thereby encourage the private sector to increase self-policing efforts and focus more innovation and expertise on this vital problem. Therefore, DHS will immediately undertake the following actions and make recommendations for other departments and agencies to combat the trafficking of counterfeit and pirated goods.

<i>Immediate Actions by DHS and Recommendations for the U.S. Government</i>
1. Ensure Entities with Financial Interests in Imports Bear Responsibility
2. Increase Scrutiny of Section 321 Environment
3. Suspend and Debar Repeat Offenders; Act Against Non-Compliant International Posts
4. Apply Civil Fines, Penalties and Injunctive Actions for Violative Imported Products
5. Leverage Advance Electronic Data for Mail Mode
6. Anti-Counterfeiting Consortium to Identify Online Nefarious Actors (ACTION) Plan
7. Analyze Enforcement Resources
8. Create Modernized E-Commerce Enforcement Framework
9. Assess Contributory Trademark Infringement Liability for Platforms
10. Re-Examine the Legal Framework Surrounding Non-Resident Importers
11. Establish a National Consumer Awareness Campaign

³ International Anti-Counterfeiting Coalition’s comments made on the Department of Commerce, International Trade Administration, Office of Intellectual Property Rights’, Report on the State of Counterfeit and Pirated Goods Trafficking Recommendations, 29 July 2019. Posted on 6 August 2019. <https://www.regulations.gov/document?D=DOC-2019-0003-0072>

Best Practices for E-Commerce Platforms and Third-Party Marketplaces

Government action alone is not enough to bring about the needed paradigm shift and ultimately stem the tide of counterfeit and pirated goods. All relevant private-sector stakeholders have critical roles to play and must adopt identified best practices, while redoubling efforts to police their own businesses and supply chains.

While the U.S. brick-and-mortar retail store economy has a well-developed regime for licensing, monitoring, and otherwise ensuring the protections of intellectual property rights (IPR), a comparable regime is largely non-existent for international e-commerce sellers. The following table catalogs a set of high priority “best practices” that shall be communicated to all relevant private sector stakeholders by the National Intellectual Property Rights Coordination Center. It shall be the Center’s duty to monitor and report on the adoption of these best practices within the scope of the legal authority of DHS and the Federal government.

<i>Best Practices for E-Commerce Platforms and Third-Party Marketplaces</i>	
1.	Comprehensive "Terms of Service" Agreements
2.	Significantly Enhanced Vetting of Third-Party Sellers
3.	Limitations on High Risk Products
4.	Rapid Notice and Takedown Procedures
5.	Enhanced Post-Discovery Actions
6.	Indemnity Requirements for Foreign Sellers
7.	Clear Transactions Through Banks that Comply with U.S. Enforcement Requests for Information (RFI)
8.	Pre-Sale Identification of Third-Party Sellers
9.	Establish Marketplace Seller ID
10.	Clearly Identifiable Country of Origin Disclosures

Foremost among these best practices is the idea that e-commerce platforms, online third-party marketplaces, and other third-party intermediaries such as customs brokers and express consignment carriers must take a more active role in monitoring, detecting, and preventing trafficking in counterfeit and pirated goods.

2. Introduction

E-commerce platforms represent ideal storefronts for counterfeits...and provide powerful platform[s] for counterfeiters and pirates to engage large numbers of potential consumers.

- Organisation for Economic Cooperation and Development⁴

The rapid growth of e-commerce platforms, further catalyzed by third-party online marketplaces connected to the platforms, has revolutionized the way products are bought and sold. “Online third-party marketplace” means any web-based platform that includes features primarily designed for arranging the sale, purchase, payment, or shipping of goods, or that enables sellers not directly affiliated with an operator of such platforms to sell physical goods to consumers located in the United States.

In the United States, e-commerce year-over-year retail sales grew by 13.3 percent in the second quarter of 2019 while total retail sales increased by only 3.2 percent as brick-and-mortar retail continued its relative decline.⁵ For example, Amazon reports third-party sales on its marketplace grew from \$100 million in 1999 to \$160 *billion* in 2018.⁶ In 2018 alone, Walmart experienced an e-commerce sales increase of 40 percent.⁷

Counterfeits threaten national security and public safety directly when introduced into government and critical infrastructure supply chains, and indirectly if used to generate revenue for transnational criminal organizations. Counterfeits also pose risks to human health and safety, erode U.S. economic competitiveness and diminish the reputations and trustworthiness of U.S. products and producers. Across all sectors of the economy, counterfeit goods unfairly compete with legitimate products and reduce the incentives to innovate, both in the United States and abroad.

While the expansion of e-commerce has led to greater trade facilitation, its overall growth—especially the growth of certain related business models—has facilitated online trafficking in counterfeit and pirated goods. American consumers shopping on e-commerce platforms and online third-party marketplaces now face a significant risk of purchasing counterfeit or pirated goods. This risk continues to rise despite current efforts across e-commerce supply chains to reduce such trafficking.

⁴ OECD (2018), *Governance Frameworks to Counter Illicit Trade*, Illicit Trade, OECD Publishing, Paris, <https://doi.org/10.1787/9789264291652-en>.

⁵ Department of Commerce, U.S. Census Bureau, Economic Indicators Division, “Quarterly Retail E-Commerce Sales 2nd Quarter 2019,” 19 August 2019. <https://www2.census.gov/retail/releases/historical/ecommm/19q2.pdf>

⁶ Jeff Bezos, “2018 Letter to Shareholders,” *The Amazon Blog*. 11 April 2019. <https://blog.aboutamazon.com/company-news/2018-letter-to-shareholders>

⁷ Note: Walmart does not separate out the percentage of third-party vendor sales. More information can be found, *here*, Jaiswal, Abhishek, “Getting Started Selling on Walmart in 2019: An Insider’s Guide to Success,” *BigCommerce*.

<https://www.bigcommerce.com/blog/selling-on-walmart-marketplace/#millennials-are-the-drivers-of-legacy-brand-change-including-walmart>. See also, “Walmart Marketplace: Frequently Asked Questions,” *Walmart*. <https://marketplace.walmart.com/resources/#1525808821038-8edf332b-5ba2>.

The OECD reports international trade in counterfeit and pirated goods amounted to as much as \$509 billion in 2016. This represents a 3.3 percent increase from 2013 as a proportion of world trade. From 2003⁸ through 2018, seizures of infringing goods by the U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE) increased from 6,500 to 33,810 while the domestic value of seized merchandise — as measured by manufacturer’s suggested retail price of the legitimate good (MSRP) — increased from \$94 million in 2003 to \$1.4 billion in 2018.⁹

The rise in consumer use of third-party marketplaces significantly increases the risks and uncertainty for U.S. producers when creating new products. It is no longer enough for a small business to develop a product with significant local consumer demand and then use that revenue to grow the business regionally, nationally, and internationally with the brand protection efforts expanding in step. Instead, with the international scope of e-commerce platforms, once a small business exposes itself to the benefits of placing products online — which creates a geographic scope far greater than its more limited brand protection efforts can handle — it begins to face increased foreign infringement threat.

Moreover, as costs to enter the online market have come down, such market entry is happening earlier and earlier in the product cycle, further enhancing risk. If a new product is a success, counterfeiters will attempt, often immediately, to outcompete the original seller with lower-cost counterfeit and pirated versions while avoiding the initial investment into research and design.

In other words, on these platforms, the counterfeit and pirated goods compete unfairly and fraudulently against the genuine items. While counterfeit and pirated goods have been sold for years on street corners, alleys, and from the trunks of cars, these illicit goods are now marketed to consumers in their homes through increasingly mainstream e-commerce platforms and third party online marketplaces that convey an air of legitimacy.

With the rise of e-commerce, the problem of counterfeit trafficking has intensified. The OECD documents a 154 percent increase in counterfeits traded internationally, from \$200 billion in 2005 to \$509 billion in 2016.¹⁰ Data collected by CBP between 2000 and 2018 shows that seizures of infringing goods at U.S. borders, much of it trafficked through e-commerce, has increased ten-fold. Over 85 percent of the contraband seized by CBP arrived from China and Hong Kong. These high rates of seizures are consistent with a key OECD finding.

Counterfeit and pirated products come from many economies, with China appearing as the single largest producing market. These illegal products are frequently found in a range of industries, from luxury items (e.g. fashion apparel or deluxe watches), via intermediary products (such as machines, spare parts or

⁸ https://www.cbp.gov/sites/default/files/documents/FY2003%20IPR%20Seizure%20Statistics_0.pdf.

⁹ https://www.cbp.gov/sites/default/files/assets/documents/2019-Aug/IPR_Annual-Report-FY-2018.pdf

¹⁰ OECD/EUIPO (2016), Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact, OECD Publishing, Paris. <https://www.oecd-ilibrary.org/docserver/9789264252653-en.pdf?expires=1576509401&id=id&accname=id5723&checksum=576BF246D4E50234EAF5E8EDF7F08147>

chemicals) to consumer goods that have an impact on personal health and safety (such as pharmaceuticals, food and drink, medical equipment, or toys).¹¹

Operation Mega Flex

In 2019, in response to the alarmingly high rates of contraband uncovered by DHS and a request from the White House Office of Trade and Manufacturing Policy (OTMP), CBP initiated Operation Mega Flex. This operation uses enhanced inspection and monitoring efforts to identify high-risk violators that are shipping and receiving illicit contraband through international mail facilities and express consignment hubs.

The periodic “blitz operations” conducted under the auspices of Operation Mega Flex examine thousands of parcels from China and Hong Kong and carefully catalog the range of contraband seized. To date, such operations have included visits to seven of CBP’s international mail facilities and four express consignment hubs and the completion of over 20,000 additional inspections. The following table summarizes the findings of three Mega Flex blitzes conducted between July and September of 2019.

Results of Operation Mega Flex (2019)				
	July 16 & 17	August 21	September 18	

Source: U.S. Customs and Border Protection

Among the discrepancies uncovered by Operation Mega Flex were 1,061 shipments of counterfeit products. These counterfeits range from fake name brand items, like Louis Vuitton bags to sports equipment made with faulty parts. Other contraband included drug paraphernalia, deadly opioids, and counterfeit drivers’ licenses.¹² In all, counterfeits constituted more than one of every three discrepancies uncovered by inspectors.¹³

¹¹ OECD/EUIPO (2016), Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact, OECD Publishing, Paris. <https://www.oecd-ilibrary.org/docserver/9789264252653-en.pdf?expires=1576509401&id=id&accname=id5723&checksum=576BF246D4E50234EAF5E8EDF7F08147>

¹²Oren Fliegelman, “Made in China: Fake IDs,” *The New York Times*. 6 February 2015. <https://www.nytimes.com/2015/02/08/education/edlife/fake-ids-or-why-would-a-student-order-a-tea-set.html>

¹³ Among the near 3,000 discrepancies, 20% of them were agricultural violations, such as bad meat, fruit, or produce, unsafe for the American consumer. These agricultural discrepancies are dangerous to the United States because they may contain diseases or pests that can greatly impact agriculture. For example, on October 16, 2018, CBP seized nearly 900 pounds of mitten crabs from an incoming Chinese freight. In Asia, mitten crabs are considered a seasonal delicacy; however, they have a disastrous impact on other global habitats and are labeled as an invasive species. See, Department of Homeland Security, U.S. Customs and Border Protection, “CBP Prevents Smuggling of Nearly 900 Pounds of Invasive Mitten Crabs,” 31 October 2018. <https://www.cbp.gov/newsroom/national-media-release/cbp-prevents-smuggling-nearly-900-pounds-invasive-mitten-crabs>.

Authorities also seized 174 controlled or prohibited substances, including: recreational drugs like LSD, cocaine, DMT, ecstasy, marijuana, mushrooms, and poppy pods as well as steroids and highly addictive painkillers like Tramadol.

It is not just a rise in the volume of counterfeits we are witnessing. GAO notes that counterfeiters are increasingly producing a “wider variety of goods that may be sold on websites alongside authentic products.”¹⁴

DHS finds the current state of e-commerce to be an intolerable and dangerous situation that must be addressed firmly and swiftly by strong actions within the Department and across other relevant agencies of the U.S. Government (USG). These include: The Federal Bureau of Investigation and the Department of Justice, the Department of Commerce, and the Department of the Treasury. This report provides a blueprint for swift and constructive changes and sets forth several actions for immediate implementation.

3. Overview of Counterfeit and Pirated Goods Trafficking

While most e-commerce transactions involve legitimate sellers and products, far too many involve the trafficking of counterfeit and pirated goods and expose legitimate businesses and consumers to substantial risks. This is a global phenomenon; the OECD reports international trade in counterfeit and pirated goods amounted to as much as half a trillion dollars in 2016.¹⁵

Key Drivers of Counterfeiting and Piracy in E-Commerce

Historically, many counterfeits were distributed through swap meets and individual sellers located on street corners. Today, counterfeits are being trafficked through vast e-commerce supply chains in concert with marketing, sales, and distribution networks. The ability of e-commerce platforms to aggregate information and reduce transportation and search costs for consumers provides a big advantage over brick-and-mortar retailers. Because of this, sellers on digital platforms have consumer visibility well beyond the seller’s natural geographical sales area.

Selling counterfeit and pirated goods through e-commerce is a highly profitable activity: production costs are low, millions of potential customers are available online, transactions are convenient, and listing on well-branded e-commerce platforms provides an air of legitimacy.

Other discrepancies found by CBP in the blitz operations included 13 weapon modifications and gun parts, 3 occurrences of drug paraphernalia, and 3 pill presses. For full summary of findings, see, Department of Homeland Security, U.S. Customs and Border Protection, Operation Mega Flex I, II and III Summaries, 2019.

¹⁴U.S. Government Accountability Office Report to the Chairman, Committee on Finance, U.S. Senate: *Intellectual Property: Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market*, GAO-18-216, Washington, DC: Government Accountability Office, January 2018. <https://www.gao.gov/assets/690/689713.pdf>

¹⁵See OECD, Trends in Trade in Counterfeit and Pirated Goods (March 2019), available at <https://www.oecd.org/governance/risk/trends-in-trade-in-counterfeit-and-pirated-goods-g2g9f533-en.htm>

¹⁵See Parker et al. 2016

When sellers of illicit goods are in another country, they are largely outside the jurisdiction for criminal prosecution or civil liability from U.S. law enforcement and private parties.

The Role of Online Third-Party Marketplaces

Third-party online marketplaces can quickly and easily establish attractive “store-fronts” to compete with legitimate businesses. On some platforms, little identifying information is necessary to begin selling.

A counterfeiter seeking to distribute fake products will typically set up one or more accounts on online third-party marketplaces. The ability to rapidly proliferate third-party online marketplaces greatly complicates enforcement efforts, especially for intellectual property rights holders. Rapid proliferation also allows counterfeiters to hop from one profile to the next even if the original site is taken down or blocked. On these sites, online counterfeiters can misrepresent products by posting pictures of authentic goods while simultaneously selling and shipping counterfeit versions.

Counterfeiters have taken full advantage of the aura of authenticity and trust that online platforms provide. While e-commerce has supported the launch of thousands of legitimate businesses, their models have also enabled counterfeiters to easily establish attractive “store-fronts” to compete with legitimate businesses.

Platforms use their third-party marketplace functions to leverage “two-sided” network effects to increase profitability for the platform by adding both more sellers and more buyers. Because sellers benefit with each additional buyer using the platform (more consumers to sell to), and buyers are more likely to join/use the platform with each additional seller (more sellers to buy from), there can be diminished internal resistance to adding lower quality sellers.

Platforms that recognize this strategy may incentivize seller listings to stimulate further growth and increase profits but do so without adequate scrutiny. As just one incentive, many platforms create “frictionless entry” by reducing the costs for sellers and buyers to join, thereby increasing the likelihood that the platform will reach an efficient and highly profitable scale.

Platforms also generate value by opening previously unused (or less frequently used) markets. In addition, online platforms reduce transaction costs by streamlining the actual transaction; for example, buyers and sellers use a standardized transaction method that simplifies interactions with buyers and reduces the risk that the buyer will not pay.

For example, before the rise of e-commerce, secondhand products could be sold at garage sales or in classified newspaper advertisements. E-commerce created a process for allowing buyers and sellers to trade goods digitally, reducing transaction costs and creating a global marketplace for used, but too often counterfeit, products.

Another way platforms generate value is by aggregating information and reducing search costs. A buyer may search for a product, either by keyword or product category, at lower search cost than visiting brick-and-mortar stores. Because of this, sellers on digital platforms have consumer visibility well beyond the seller’s natural geographical sales area.

In addition, consumers who have made a purchase may use tools provided by the marketplace to rate the product and the seller involved. These ratings create an important mechanism to facilitate future consumer trust in an otherwise unknown seller.

In principle, such a rating system provides a key to overcoming a common economic problem that might otherwise preclude sales: without a low-cost trust building feature that also communicates quality, and in a market with significant numbers of low-quality products, buyers may refuse to purchase any product at all, or would demand a lower price to reflect the uncertainty. One frequent result is that low cost counterfeits drive out high quality, trusted brands from the online marketplace. In practice, even the ratings systems across platforms have been gamed, and the proliferation of fake reviews and counterfeit goods on third-party marketplaces now threatens the trust mechanism itself.

Lower Startup and Production Costs

The relative ease of setting up and maintaining e-commerce websites makes online marketplaces a prime locale for the retailing of counterfeit and pirated goods. E-commerce retailers enjoy low fixed costs of setting up and maintaining web businesses and lower costs for carrying out normal business operations such as managing merchant accounts. These ventures can be set up quickly without much sophistication or specialized skills.

Some online platforms allow retailers to use pre-made templates to create their stores while other platforms only require that a seller create an account. These businesses face much lower overhead costs than traditional brick-and-mortar sellers because there is no need to rent retail space or to hire in-person customer-facing staff. Not only can counterfeiters set up their virtual storefronts quickly and easily, but they can also set up new virtual storefronts when their existing storefronts are shut down by either law enforcement or through voluntary initiatives set up by other stakeholders such as market platforms, advertisers, or payment processors.

In the production stage, counterfeiters keep costs low by stealing product secrets or technological knowledge, exploiting new production technologies, and distributing operations across jurisdictions. One method involves employees who sell trade secrets to a third party who, in turn, develops and sells counterfeit products based on the stolen secrets. Another method relies on an intermediary to steal a firm's product or technology. The use of intermediaries reduces the traceability to the counterfeiter.

Counterfeiting and piracy operations also take advantage of new low-cost production technologies. For example, the technological advances in modeling, printing and scanning technologies such as 3D printing reduce the barriers for reverse engineering and the costs of manufacturing counterfeit products.

Lower production costs can also be achieved through distributed production operations. One method involves manufacturing the counterfeit good in a foreign market to lower the chances of detection and to minimize legal liability if prosecuted. This can be combined with importation of

the counterfeit labels separately from the items, with the labels being applied to the products after both items arrive in the U.S.

In addition, it is much cheaper to manufacture illicit goods because counterfeit and pirated goods are often produced in unsafe workplaces with substandard and unsafe materials by workers who are often paid little—and sometimes nothing in the case of forced labor. Moreover, in the case of goods governed by Federal health and safety regulations, it often costs much less to produce counterfeit versions that do not meet these health and safety standards.

Lower Marketing Costs

Businesses that use only an internet presence as their consumer-facing aspect typically enjoy lower costs of designing, editing, and distributing marketing materials. Counterfeiters also benefit from greater anonymity on digital platforms and web sites and greater ease to retarget or remarket to customers. For example, counterfeiters use legitimate images and descriptions on online platforms to confuse customers, and they open multiple seller accounts on the platform so that if one account is identified and removed, the counterfeiter can simply use another.

The popularity of social media also helps reduce the costs of advertising counterfeit products. The nature of social media platforms has aided in the proliferation of counterfeits across all e-commerce sites. Instagram users, for example, can take advantage of connectivity algorithms by using the names of luxury brands in hashtags. Followers can search by hashtag and unwittingly find counterfeit products, which are comingled and difficult to differentiate from legitimate products and sellers.

Lower Distribution Costs

Traditionally, many counterfeit goods were distributed through swap meets and individual sellers located on street corners. With the rise of online platforms for shopping, customers can have products delivered to them directly.

Foreign entities that traffic in counterfeits understand how to leverage newer distribution methods better suited to e-commerce than the traditional trade paradigm (i.e., imports arriving via large cargo containers with domestic distribution networks). Today, mail parcel shipments, including through express consignments, account for more than 500 million packages each year.¹⁶ Seizures in the small package environment made up 93 percent of all seizures in 2018, a 6 percent increase over 2017. From 2012 to 2016, the number of seizures from express consignment carriers increased by 105 percent, and the MSRP of those seizures had a 337 percent increase.¹⁷ In contrast, seizures from cargo decreased by 36 percent from FY17 to FY18.

¹⁶<https://www.cbp.gov/sites/default/files/assets/documents/2019-Apr/FY%202017%20Seizure%20Stats%20Booklet%20-%2020508%20Compliant.pdf> p. 14

¹⁷https://www.gao.gov/assets/690/689713.pdf?mod=article_inline p. 14

The International Chamber of Commerce found that counterfeiters use international air packages because the high volume of these packages makes enforcement more difficult.¹⁸ A recent report by the OECD points out that distributing counterfeits across a series of small packages spreads the risk of detection, and lowers the loss from having one or more shipments seized, suggesting that losses to the counterfeiter on an ongoing basis would be within a tolerable range.¹⁹

The OECD report also notes that it is harder for authorities to detect counterfeits in small parcels than in shipping containers because cargo containers making entry at a maritime port provide customs officials with more information, well in advance of arrival. Moreover, the effort required for CBP to seize a shipment does not vary by size of the shipment, meaning that a package of a few infringing goods requires the same resources to seize as a cargo container with hundreds of infringing goods.

Section 321 of the Tariff Act of 1930 has likewise encouraged counterfeiters to favor smaller parcel delivery. Under Section 321, a foreign good valued at or less than \$800 and imported by one person on one day is not subject to the same formal customs entry procedures and rigorous data requirements as higher-value packages entering the United States. This reduced level of scrutiny is an open invitation to exploit Section 321 rules to transport and distribute counterfeits.

Rules set by the Universal Postal Union (UPU) have historically contributed to the distortion in rates for delivery of international e-commerce purchases to the United States.²⁰ UPU reimbursement rates have underpriced domestic postage rates for small parcels. This market distortion made it cheaper for small package exports to the United States from certain countries than would otherwise be economically feasible and has encouraged the use of the international postal mode over other shipment channels. The United States recently scored a historic victory when the UPU overhauled its terminal dues system²¹, effectively eliminating this outdated policy.²²

Consumer Attitudes and Perceptions

The sale of counterfeits away from so-called “underground” or secondary markets (e.g. street corners, flea markets) to e-commerce platforms is reshaping consumer attitudes and perceptions. Where in the past, consumers could identify products by relying on “red flag” indicators—such as a suspicious location of the seller, poor quality packaging, or discount pricing—consumers are now regularly exposed to counterfeit products in settings and under conditions where the articles appear genuine.

While the risks of receiving a counterfeit may have been obvious to a consumer purchasing items on street corners, with the rise of online platforms, it is not so obvious anymore. For example, it is

¹⁸<https://cdn.iccwbo.org/content/uploads/sites/3/2015/03/ICC-BASCAP-Roles-and-Responsibilities-of-Intermediaries.pdf> p. 32

¹⁹OECD/EUIPO (2018), *Misuse of Small Parcels for Trade in Counterfeit Goods: Facts and Trends, Illicit Trade*, OECD Publishing, Paris. <https://doi.org/10.1787/9789264307858-en> p. 77

²⁰The UPU is a specialized agency of the United Nations that coordinates postal policies between 190 countries. Importantly, these treaties determine the cost of shipping between the various countries and offers low rates to mail originating from abroad, as compared to domestic postage rates.

²¹ Universal Postal Union (2019), *Decisions of the 2019 Geneva Extraordinary Congress*, http://www.upu.int/uploads/tx_sbdownloader/actsActsOfTheExtraordinaryCongressGenevaEn.pdf

²² <https://www.nytimes.com/2019/09/25/business/universal-postal-union-withdraw.html>

unlikely that anyone would set out to purchase a counterfeit bicycle helmet given the potential safety risks; however, such items are readily available to unsuspecting consumers on e-commerce websites.

Reports indicate that some third-party marketplace listings falsely claim to have certifications with health and safety standards or offer items banned by federal regulators or even the platforms themselves. Coupled with the inability of buyers to accurately determine the manufacturer or the origin of the product, it is challenging for buyers to make informed decisions in the e-commerce environment.

In 2017, MarkMonitor found that 39 percent of all unwitting purchases of counterfeit goods were bought through online third-party marketplaces.²³ Sellers on large well-known platforms rely on the trust that those platforms hosting of the marketplace elicits. The results of this survey indicate that bad actors selling counterfeit goods on legitimate online platforms erodes trust in both the brands and the platforms themselves.

In 2018, Incopro conducted a survey focusing on United Kingdom (UK) consumers who had unwittingly purchased counterfeit goods and how their perceptions of online marketplaces were affected as a result.²⁴ The results of this survey show that 26 percent of respondents reported that they had unwittingly purchased counterfeits. Of these, 41 percent reported that they had never received a refund after reporting a seller to online marketplaces.

In addition, roughly one-third of respondents reported that they would be less likely to buy a widely counterfeited product from an online marketplace while 46 percent reported no longer using a particular online marketplace after receiving counterfeit goods. Respondents also reported that, when trying to differentiate between genuine and counterfeit products, they consider online reviews along with the reputation of online marketplaces.

These recent findings, against the larger backdrop of the e-commerce environment, demonstrate the immediacy of the problem as consumer confidence and brand integrity continue to suffer in the realm of online third-party marketplaces.

Top Products Prone to Counterfeiting and Piracy

Counterfeiters sell fake goods as authentic goods — for example, a copy of a Louis Vuitton bag or Rolex watch fraudulently sold as the “real thing.” Counterfeiters use identical copies of registered trademarks without the authorization of the rightful owner.

Piracy typically refers to the act of copying a protected work (such as a book, movie, or music) without the consent of the rights holder or person duly authorized by the rights holder.

²³MarkMonitor (2017). *MarkMonitor Online Barometer: Global online shopping survey 2017 – consumer goods*. Downloaded from https://www.markmonitor.com/download/report/MarkMonitor_Online_Shopping_Report-2017-UK.pdf. p. 6

²⁴INCOPRO, 2018. Counterfeit Products are Endemic – and it is damaging brand value: INCOPRO Market Research Report available at https://www.incoproip.com/cms/wp-content/uploads/2018/11/2018_Incopro_Market-Research-report.pdf.

The below table provides a summary of the annual IPR seizure statistics collected by CBP in FY18; including items from all modes of transportation. Apparel and other types of accessories, along with footwear, top the list at 18 percent and 14 percent of seizures, respectively. Commonly counterfeited items in these categories include brand name shoes such as Nike and Adidas, as well as NFL jerseys.

Watches and jewelry follow at 13 percent of total seizures. During the Mega Flex operation on August 21, 2019, for example, CBP officers seized counterfeit Rolex watches valued at over \$1.4 million. Handbags and wallets represented nearly 11 percent of all seizures, including counterfeits of luxury brands such as Louis Vuitton, Michael Kors, and Gucci. Consumer electronics represented 10 percent of seizures, including products such as iPhones, hover boards, earbuds, microchips, and others.

Pharmaceuticals and personal care items account for only 7 percent of total seizures. However, as discussed in the next section, many of the products in these categories pose significant dangers to the consumer. Fake prescription drugs can lack active ingredients, contain incorrect dosages, or include dangerous additives. Fake personal care items such as cosmetics have been found to contain everything from harmful bacteria to human waste. Between 2017 and 2018, CBP and ICE Homeland Security Investigations (HSI) seized over \$31 million in fake perfumes from China.

CBP Intellectual Property Rights Annual Seizure Statistics Fiscal Year 2018		

Source: U.S. Customs and Border Protection

4. Health and Safety, Economic, and National Security Risks

Counterfeit trafficking exposes American consumers to significant health and safety risks — in addition to significant economic impacts and, in some cases, threats to national security.

Health and Safety

The types of counterfeit goods available on e-commerce platforms go far beyond those products with potential hidden toxins — like sports jerseys, jewelry and purses—and include many products

that can pose more obvious serious risks to health and safety, like prescription drugs and air bags. It is not only the sellers of the counterfeit goods, but also the e-commerce platforms and other third-party intermediaries (e.g., shippers) that facilitate their sale, that are profiting from the marketing and distribution of these illicit products to the American public.

The profit margins are especially high for counterfeiters in the sale of counterfeit pharmaceuticals. In the past, counterfeit prescription drugs primarily involved so-called lifestyle drugs like sildenafil (Viagra). Today, this market has expanded to include all types of therapeutic medicines, including insulin, cancer medications, and cardiovascular drugs.

Counterfeiting has also spread into over-the-counter medicines like cough syrup and weight loss drugs. As more Americans purchase drugs online, many U.S. consumers appear to be largely unaware of the potential dangers of purchasing counterfeit drugs from internet pharmacies.

Unlike legitimate drug manufacturers that are subject to inspections by the U.S. Food and Drug Administration, labs that manufacture counterfeits have no such oversight. According to a 2019 Better Business Bureau study, “companies based in China, Hong Kong, Singapore, and India shipped 97 percent of the counterfeit medicines seized in the U.S.”²⁵

In March 2019, Europol, the European Union’s law enforcement agency, seized 13 million doses of counterfeit medicine ranging from opioids to heart medication. Europol noted that this type of counterfeiting is on the rise due to the relatively low risk of criminal detection.²⁶

Counterfeit medicines not only defraud consumers who are often afflicted with serious health issues; they can also be lethal. Fake prescription opioids are often laced with deadly fentanyl, much of which originates in China. In raising awareness of the dangers, the National Institutes of Health (NIH) has warned:

*Preventing counterfeit medicines from entering the United States is especially difficult, in part because nearly 40 percent of drugs are made overseas and approximately 80 percent of the active medicinal components of drugs are imported. Because many of these medicines are expensive, buyers are attracted by lower prices. The rise of Internet pharmacies makes regulation of drug safety more difficult.*²⁷

²⁵Baker, C. Steven, “Fakes are Not Fashionable: A BBB Study of the Epidemic of Counterfeit Goods Sold Online,” *Better Business Bureau*, May 2019. https://www.bbb.org/globalassets/local-bbbs/st-louis-mo-142/st_louis_mo_142/studies/counterfeit-goods/BBB-Study-of-Counterfeit-Goods-Sold-Online.pdf

²⁶Baker, C. Steven, “Fakes are Not Fashionable: A BBB Study of the Epidemic of Counterfeit Goods Sold Online,” *Better Business Bureau*, May 2019. Pg. 9. https://www.bbb.org/globalassets/local-bbbs/st-louis-mo-142/st_louis_mo_142/studies/counterfeit-goods/BBB-Study-of-Counterfeit-Goods-Sold-Online.pdf

²⁷National Institutes of Health, Blackstone, Erwin A., Joseph P. Fuhr Jr., and Steve Pociask, “The Health and Economic Effects of Counterfeit Drugs,” *American Health and Drug Benefits* 7(4): 216-224, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4105729/>; See also, Mackey, Tim K., et al., “After counterfeit Avastin®-- what have we learned and what can be done,” *Nature Reviews Clinical Oncology* 12, 302-308. 2015. <https://www.nature.com/articles/nrclinonc.2015.35.pdf>

Health and safety risks extend far beyond fake prescription drugs. Counterfeit cosmetics often contain ingredients such as arsenic, mercury, aluminum, or lead and may be manufactured in unsanitary conditions, which can ultimately lead to problems with one's eyes or skin.

An investigation of counterfeit iPhone adapters conducted by the GAO found a 99 percent failure rate in 400 counterfeit adapters tested for safety, fire, and shock hazards, and found that 12 of the adapters posed a risk of lethal electrocution to the user.²⁸ In December 2015, CBP seized 1,378 hover boards with counterfeit batteries, which can cause fires resulting in injury or death.²⁹

Children's toys, some laced with deadly metals like cadmium and lead, represent another area in which counterfeiters have taken advantage of e-commerce business models that provide limited to no accountability for sellers.

The Department of Justice has prosecuted individuals for the online sale of a "high value target" of counterfeiters — namely, airbags.³⁰ Along with other counterfeit automotive parts like brake pads, wheels, and seat belts, unsafe airbags can have catastrophic consequences for drivers, as well as for their passengers and others on the road. Bicycle helmets, another favorite of counterfeiters, likewise can lead to catastrophic consequences for cyclists.

Of the contraband products seized in 2016 by CBP and ICE/HSI, an astonishing 16 percent posed direct and obvious threats to health and safety.³¹ E-commerce also facilitates the widespread sale of pirated versions of copyrighted works. Pirated medical books — which can contain errors that endanger patients' lives — have been found on platforms along with other pirated books (textbooks and trade books) and illicit reproductions of music-CD box sets.

Economic Harm

The growth in online sales of counterfeit and pirated goods directly harms — and unfairly competes against — the many legitimate companies that produce, sell and distribute genuine goods, often resulting in lost profits, employee layoffs, and diminished incentives to innovate. Frontier Economics (2018) finds that counterfeit goods displaced roughly half a trillion dollars of global sales of legitimate companies in 2013 and forecasts this displacement to reach \$1 to \$1.2 trillion by 2022.³² The study also estimates that global employment losses due to counterfeit goods

²⁸Underwriters Laboratory (UL), "Counterfeit iPhone Adapters", available at: https://legacy-uploads.ul.com/wp-content/uploads/sites/40/2016/09/10314-CounterfeitiPhone-WP-HighRes_FINAL.pdf. Also see, U.S. Government Accountability Office Report to the Chairman, Committee on Finance, U.S. Senate: *Intellectual Property: Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market*, GAO-18-216, Washington, DC: Government Accountability Office, January 2018. Pg.18. <https://www.gao.gov/assets/690/689713.pdf>

²⁹U.S. Government Accountability Office Report to the Chairman, Committee on Finance, U.S. Senate: *Intellectual Property: Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market*, GAO-18-216, Washington, DC: Government Accountability Office, January 2018. <https://www.gao.gov/assets/690/689713.pdf>

³⁰Department of Justice, U.S. Attorney's Office, Western District of New York, "Two Men Charged with Importing and Selling Counterfeit Airbags," 24 October 2016. <https://www.justice.gov/usao-wdny/pr/two-men-charged-importing-and-selling-counterfeit-airbags>; Department of Justice, U.S. Attorney's Office, Western District of New York, "Cheektowaga Man Sentenced for Buying and Selling Counterfeit Airbags," 9 May 2019.

³¹Department of Homeland Security, U.S. Customs and Border Protection, "Intellectual Property Rights: Fiscal Year 2018 Seizure Statistics," August 2019. https://www.cbp.gov/sites/default/files/assets/documents/2019-Aug/IPR_Annual-Report-FY-2018.pdf

³²<https://iccwbo.org/publication/economic-impacts-counterfeiting-piracy-report-prepared-bascap-inta/>

were between 2 million and 2.6 million jobs in 2013, with job displacement expected to double by 2022.

Counterfeit goods also damage the value of legitimate brands. When brand owners lose the ability to collect a price premium for branded goods, it leads to diminished innovation as brand owners are less likely to invest in creating innovative products. Legitimate companies, and particularly small businesses, report devastating impacts due to the abundance of competing online counterfeits and pirated goods. Moreover, while e-commerce platforms can benefit legitimate businesses by helping them to reach customers with a new product, the same process and technology also makes it easier for unscrupulous firms to identify popular new products, produce infringing versions of them, and sell these illicit goods to the business's potential customers.

As previously noted, the speed at which counterfeiters can steal intellectual property through e-commerce can be very rapid. If a new product is a success, counterfeiters may attempt to immediately outcompete the original seller with lower-cost counterfeit versions — while avoiding research and development costs. The result: counterfeiters may have a significant competitive advantage in a very short period of time over those who sell trusted brands.

Such fast-track counterfeiting poses unique and serious problems for small businesses, which do not have the same financial resources as major brands to protect their intellectual property. Lacking the ability to invest in brand-protection activities, such as continually monitoring e-commerce platforms to identify illicit goods, perform test buys, and send takedown notices to the platforms, smaller businesses are more likely to experience revenue losses as customers purchase counterfeit versions of the branded products.

In many cases, American enterprises have little recourse aside from initiating legal action against a particular vendor. Such legal action can be extremely difficult. Many e-commerce sellers of infringing products are located outside the jurisdiction of the United States, often in China; existing laws and regulations largely shield foreign counterfeiters from any accountability.

Organized Crime and Terrorism

The impact of counterfeit and pirated goods is broader than just unfair competition. Law enforcement officials have uncovered intricate links between the sale of counterfeit goods and transnational organized crime. A study by the Better Business Bureau notes that the financial operations supporting counterfeit goods typically require central coordination, making these activities attractive for organized crime, with groups such as the Mafia and the Japanese Yakuza heavily involved.³³ Criminal organizations use coerced and child labor to manufacture and sell counterfeit goods. In some cases, the proceeds from counterfeit sales may be supporting terrorism and dictatorships throughout the world.³⁴

³³https://www.bbb.org/globalassets/local-bbbs/st-louis-mo-142/st_louis_mo_142/studies/counterfeit-goods/BBB-Study-of-Counterfeit-Goods-Sold-Online.pdf

³⁴United Nations Office of Drugs and Crime (UNODC), *Focus On: The Illicit Trafficking of Counterfeit Goods and Transnational Organized Crime*, available at: https://www.unodc.org/documents/counterfeit/FocusSheet/Counterfeit_focussheet_EN_HIRES.pdf

National Security

One of the greatest threats counterfeits pose to national security is their entry into the supply chain of America's defense industrial base. This defense industrial base includes both private sector contractors and government agencies, particularly the Department of Defense.

In FY 2018, 12 percent of DHS seizures included counterfeit versions of critical technological components, automotive and aerospace parts, batteries, and machinery. Each of these industrial sectors have been identified as critical to the defense industrial base, and thus critical to national security. One example drawn from a 2018 study by the Bureau of Industry and Security within the Department of Commerce featured the import of counterfeit semiconductors or "Trojan chips" for use in defense manufacturing and operations³⁵. Such Trojan chips can carry viruses or malware that infiltrate and weaken American national security. The problem of counterfeit chips has become so pervasive that the Department of Defense has referred to it as an "invasion." Companies from China are the primary producers of counterfeit electronics.³⁶

5. How E-Commerce Facilitates Counterfeit Trafficking

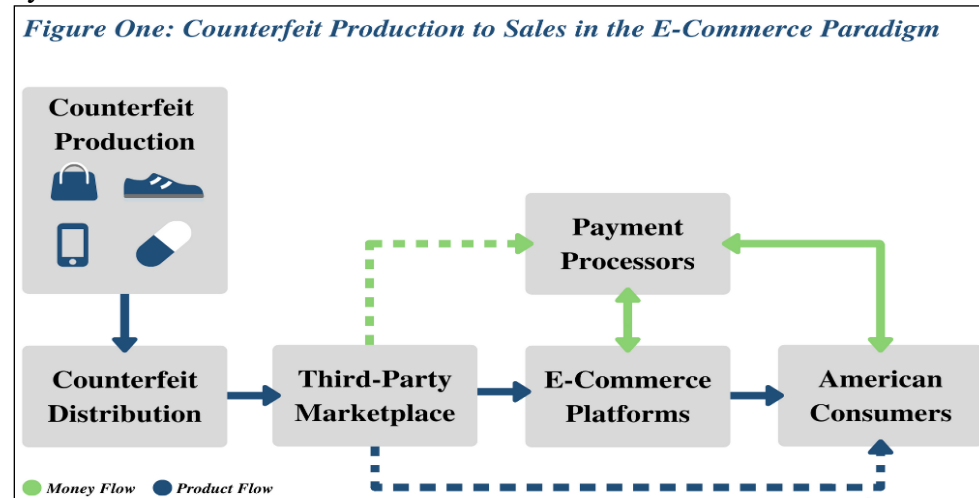
While e-commerce has supported the launch of thousands of legitimate businesses, e-commerce platforms, third-party marketplaces, and their supporting intermediaries have also served as powerful stimulants for the trafficking of counterfeit and pirated goods. The central economic driver of such trafficking is this basic reality: Selling counterfeit and pirated goods through e-commerce platforms and related online third-party marketplaces is a highly profitable venture.

For counterfeiters, production costs are low, millions of potential customers are available online, transactions are convenient, and listing goods on well-known platforms provides an air of legitimacy. When sellers of illicit goods are in another country, they are also exposed to relatively little risk of criminal prosecution or civil liability under current law enforcement and regulatory practices. It is critical that immediate action be taken to protect American consumers and other stakeholders against the harm and losses inflicted by counterfeiters.

³⁵<https://www.bis.doc.gov/index.php/documents/technology-evaluation/37-defense-industrial-base-assessment-of-counterfeit-electronics-2010/file>

³⁶Saunders, Gregory and Tim Koczanski, "Counterfeits," *Defense Standardization Program Journal*, October/December 2013. <https://www.dsp.dla.mil/Portals/26/Documents/Publications/Journal/131001-DSPJ.pdf>

Figure One provides a simplified overview of how counterfeit products move from production by counterfeiters to sales to American consumers:



Counterfeit Production and Distribution

The counterfeit sales process begins with some type of production capability for the counterfeit good. In this stage, counterfeiters enjoy enormous production cost advantages relative to legitimate businesses. Counterfeits are often produced in unsafe workplaces, with substandard and unsafe materials, by workers who are often paid little or sometimes nothing in the case of forced labor.

In the case of goods subject to federal health and safety regulations, it costs much less to produce counterfeit versions that do not meet these health and safety requirements that make the legitimate products so safe.

Counterfeiters likewise minimize the need for incurring significant research and development expenditures by stealing intellectual property, technologies, and trade secrets. They also shave production costs using inferior ingredients or components.

For example, a common way for counterfeiters to produce *fake* prescription opioids like Oxycontin, or a prescription drug like Viagra, is to start with the *real* pills as a basic ingredient. These real pills are then ground up into a powder, diluted with some type of (sometimes toxic) powder filler, and then “spiked” with an illegal and deadly narcotic like fentanyl, in the case of fake opioids, or illegal and deadly amphetamines or strychnine, in the case of Viagra.

In the case of apparel, such as running shoes, employees from a legitimate branded company may leave the company and set up their own facility. These employees have the expertise to manufacture identical-looking shoes; but they will typically do so with cheaper, inferior components. The result: the shoes may fail during activity, injure the user with an inferior insole, or, at a minimum, wear out faster than the real product.³⁷

³⁷Department of Homeland Security, U.S. Customs and Border Protection, “CBP Seizes Over \$2.2 Million worth of Fake Nike Shoes at LA/Long Beach Seaport,” 9 October 2019. <https://www.cbp.gov/newsroom/local-media-release/cbp-seizes-over-22-million-worth-fake-nike-shoes-lalong-beach-seaport>

The technological advances in modeling, printing, and scanning technologies such as 3D printing, have also significantly reduced the barriers for reverse engineering and the costs of manufacturing counterfeit products. Again, one problem that may arise may be the use of inferior production inputs that lead to product failure.

These are just a few of the many ways counterfeits begin their long journey into American households. There is often no way for legitimate businesses to compete, on a production cost basis, with counterfeiters. There is also often no way for a consumer to tell the difference between a counterfeit and legitimate good.

Third-Party Marketplaces and Counterfeiter Websites

A counterfeiter seeking to distribute fake products will typically set up one or more accounts on third-party marketplaces, and these accounts can often be set up quickly and without much sophistication or many specialized skills. Under such circumstances, it is axiomatic that online retailers face much lower overhead costs than traditional brick-and-mortar sellers. There is no need to rent retail space or to hire in-person, customer-facing staff.

In a common scenario, third-party marketplace websites contain photos of the real product, fake reviews of the counterfeit product, and other such disinformation designed to mislead or fool the consumer into believing the legitimacy of the product. The proliferation of such disinformation is the hallmark of the successful online counterfeiter. Such deception not only provides counterfeiters with an enormous competitive advantage over their brick-and-mortar counterparts; legitimate sellers on the internet are harmed as well.

In some cases, counterfeiters hedge against the risk of being caught and their websites taken down from an e-commerce platform by preemptively establishing multiple virtual store-fronts. A key underlying problem here is that on at least some e-commerce platforms, little identifying information is necessary for a counterfeiter to begin selling. In the absence of full transparency, counterfeiters can quickly and easily move to a new virtual store if their original third-party marketplace is taken down.

The popularity of social media also helps proliferate counterfeits across various e-commerce platforms. Instagram users, for example, can take advantage of connectivity algorithms by using the names of luxury brands in hashtags. Followers can search by hashtag and unwittingly find counterfeit products, which are comingled and difficult to differentiate from legitimate products and sellers.

According to a 2019 report, *Instagram and Counterfeiting*, nearly 20 percent of the posts analyzed about fashion products on Instagram featured counterfeit or illicit products.³⁸ More than 50,000 Instagram accounts were identified as promoting and selling counterfeits, a 171 percent increase from a prior 2016 analysis. Instagram's Story feature, where content disappears in twenty-four hours, was singled out as particularly effective for counterfeit sellers.

³⁸Stroppa, Andrea, *et al.*, "Instagram and counterfeiting in 2019: new features, old problems," *Ghost Data*, 9 April 2019. Rome, New York. https://ghostdata.io/report/Instagram_Counterfeiting_GD.pdf

A more recent development on social media is the proliferation of “hidden listings” for the sale of counterfeits. Social media is used to provide direct hyperlinks in private groups or chats to listings for counterfeit goods that purport to be selling unrelated legitimate items. By accessing the link, buyers are brought to an e-commerce platform which advertises an unrelated legitimate item for the same price as the counterfeit item identified in the private group or chat. The buyer is directed to purchase the unrelated item in the listing but will receive the sought-after counterfeit item instead.

Order Fulfillment in E-Commerce

The foreign counterfeiter must first choose between sending a package either by express consignment carrier or through the international post. As a general proposition, express consignment shippers — such as DHL Express, Federal Express, and the United Parcel Service — were subject to data requirements before they were extended to the international posts.

In the next step along the delivery chain, a parcel will arrive at a port of entry under the authority of CBP. Millions of parcels arrive daily, and it is impossible to inspect more than a very small fraction.

Although ocean shipping is still a major mode of transport for counterfeits, the rapid growth of other modes, such as truck and air parcel delivery, threaten to upend established enforcement efforts, and as such, is increasingly used by international counterfeiters. This continued shift from bulk cargo delivery to other modes by counterfeiters is illustrated in the trends in seizure statistics.

It is clear from these observations that counterfeit traffickers have learned how to leverage newer air parcel distribution methods that vary from the traditional brick-and-mortar retail model (for example, imports arriving via large cargo containers with domestic distribution networks). This is an issue that must be directly addressed by firm actions from CBP.

Section 321 De Minimis Exemption and Counterfeit Trafficking

Under Section 321 of the Tariff Act of 1930, as amended by the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA), articles with a value of \$800 or less, imported by one person on one day, can be admitted free of duty and taxes. Under 19 CFR § 10.151 and 19 CFR part 143, Subpart C, those importations are often not subject to the same formal customs procedures and rigorous data requirements as higher-value packages entering the United States. Instead, the low-value shipments can be admitted into U.S. commerce with the presentation of a bill of lading or a manifest listing each bill of lading and a limited data set. The relatively limited nature of the data requirements complicates the identification of high-risk goods by CBP and other enforcement agencies. Under 19 CFR § 143.22, CBP has existing authority to require formal entry (and the complete data set for any shipment) for any merchandise, if deemed necessary for import admissibility enforcement purposes; revenue protection; or the efficient conduct of customs business.

Warehouses, Fulfillment Centers and Counterfeit Trafficking

Certain e-commerce platforms have adopted a business model that relies on North American warehouses to provide space for foreign-made goods, followed by one-at-a-time order fulfillment, at which point the goods are individually packed and shipped to U.S. consumers on much shorter delivery timelines. The platforms that use this model may also coordinate with customs brokers, as well as provide third-party logistics and freight forwarding services to assist with the initial delivery of goods to the warehouse.

Although this model is a significant innovation for legitimate commerce and provides benefits to consumers in the form of reduced costs and shipping time, it creates a mechanism that allows counterfeit traffickers to minimize transportation costs as well, while intermingling harmful goods among legitimate goods. From a risk perspective, this model allows goods to enter the United States in a decentralized manner, allowing a counterfeit trafficker to spread the risk of seizure across a number of low-value packages. In situations where the fulfillment center is outside the U.S. Customs area, this model provides the opportunity to use ocean container shipping as the primary mode of transit for the shipment, which keeps overall shipping costs relatively low as ocean cargo is much cheaper than air delivery. It is in part because of these incentives that these fulfillment centers have emerged as an important element of the supply chains for many counterfeit traffickers.

6. Private Sector Outreach and Public Comment

This report benefitted from extensive outreach to, and comments from, numerous private sector stakeholders in response to the FRN 2019-14715 issued on July 10, 2019. Respondents included: e-commerce platforms that operate third-party marketplaces, third-party sellers, shippers, third-party logistics providers, payment processors, and intellectual property rights holders.

Rights holders and Stakeholders Feedback

In providing comments on platforms' current preventative efforts, rights holders argued that some platforms do not do enough to ensure that sellers provide accurate information. They also stressed that the onboarding and vetting of sellers remains a concern of the highest priority.

Some commenters further argued that sellers will not be sufficiently deterred unless they can be identified and punished for promoting counterfeit and pirated goods via online platforms. Further, they contended that platforms should be more proactive in their approach to combating IPR theft and misuse. Commenters also advised that the lack of relevant policies and procedures to verify sellers' true names and addresses, and to conduct the necessary vetting and due diligence, contributes to a range of impediments to effective enforcement.

Rights holders widely view the present legislative landscape for online enforcement — where online intermediaries are generally not strictly liable for the products sold on their marketplaces by third parties — to be out of date. While in the brick-and-mortar economy, contributory infringement liability has been well-developed through case law for the licensing and oversight of

sellers, a comparable regime is largely non-existent in the e-commerce realm. A key problem here is that the laws that apply today have remained largely unchanged since the early days of e-commerce. They were developed at a time when Congress' primary concern was to avoid over-regulation of the nascent market — as exemplified by the numerous safe harbors and limitations on liability for third-party intermediaries.

Rights holders further argued that the current rules, regulations, and practices governing e-commerce disproportionately place the burden of enforcement on rights holders. While e-commerce platforms that operate third-party marketplaces provide various tools for rights holders to report counterfeit listings of their brands, they have effectively shifted the primary responsibility to monitor, detect, and remove infringing products to the rights holders.

Commenters also noted several disparities across e-commerce platforms. For example, among third-party marketplaces that control who may list products on their site for sale, some scrutinize their sellers much more than others. Some allow anyone to sell a product if they provide basic information about themselves, such as credit card and tax identity information. Others require more detailed information, such as an existing online presence, proof that the seller is a business entity and not an individual, and that the seller has established customer support.

Submissions were also received from several platforms noting that they have invested heavily in proactive efforts to prevent counterfeits from reaching their online stores, and several commenters noted that some platforms have significant interactions with law enforcement to combat counterfeits trafficking. Additionally, there was concern expressed by some respondents that while several of the leading online platforms have built out substantial programs, mandating that these practices be adopted by all online platforms could have significant consequences for smaller competitors.

Observations in Support of Strong Government Action

Five observations emerged from this stakeholder outreach and a broader review of the e-commerce landscape: first, actions by the private sector components of the e-commerce supply, distribution, and sales chain will be critical to reducing the heavy volume of counterfeit and pirated goods circulating in the U.S. economy. This is particularly true for third-party marketplaces, which provide tools that producers of counterfeit and pirated goods can exploit.

With respect to such actions, platforms are increasingly developing methods to remove counterfeit listings and compensate consumers who have unwittingly purchased counterfeit goods. Platforms are also improving their capabilities to more quickly identify counterfeits as well as identify product sectors that are more vulnerable to counterfeiting.

Second, despite such actions, private stakeholders have fallen far short of adequately addressing the substantial challenges that must be surmounted if the trafficking of counterfeit and pirated goods is to be deterred. Such trafficking continues to grow both in the volume and array of goods trafficked. A key failing within the private sector is a lack of a commonly accepted set of best practices to combat counterfeit trafficking.

Third, rights holders are often burdened by e-commerce platforms that operate third-party marketplaces with a disproportionate share of the costs of monitoring, detection, and enforcement falling on rights holders. This burden falls heavily on smaller American enterprises that cannot spread the costs due to trademark infringements and brand enforcement over large sales and inventories.

Fourth, no amount of officers or government resources alone can stem this trafficking.

Fifth, absent the adoption of a set of best practices and a fundamental realignment of incentives brought about by strong government actions, the private sector will continue to fall far short in policing itself. Indeed, the current incentive structure tends to reward the trafficking in counterfeit and pirated goods more than these incentives help to deter such trafficking.

The next two sections of this report identify a set of strong government actions that DHS, in consultation with the interagency, believes is necessary to bring about this fundamental realignment of incentives — and thereby ensure that e-commerce stakeholders appropriately shoulder much more of the responsibility for preventing the online trafficking in counterfeit and pirated goods.

7. Immediate Action by DHS and Recommendations for the USG

CBP and ICE are the primary federal agencies responsible for securing America’s borders. A key responsibility is to prevent goods that infringe U.S. copyrights, registered trademarks, and certain patents from entering the United States. CBP’s interdiction of counterfeit goods at U.S. Ports of Entry (POE) is the frontline of USG IPR enforcement.

In meeting their responsibilities, CBP and ICE have the statutory authority to inspect *any* package as it is imported into U.S. territory. CBP and ICE may draw upon numerous other authorities to stop and prevent the trafficking of counterfeit and pirated goods, from the assessment of civil fines and other penalties to debarring and suspending irresponsible actors. Many of these authorities are underutilized or underdeveloped to match the risks in the evolving e-commerce environment.

The previous sections of this report have provided an overview of the counterfeit trafficking landscape and identified key problems that need to be addressed firmly and swiftly. This section identifies a set of actions DHS will make through enforcement actions, sub-regulatory changes, and as necessary, notice and comment rulemaking or requested statutory amendments. These actions are summarized in the following table:

<i>Immediate Actions to be Taken by DHS and Recommendations for the U.S. Government</i>	
1.	Ensure Entities with Financial Interests in Imports Bear Responsibility
2.	Increase Scrutiny of Section 321 Environment
3.	Suspend and Debar Repeat Offenders; Act Against Non-Compliant International Posts
4.	Apply Civil Fines, Penalties and Injunctive Actions for Violative Imported Products

5. Leverage Advance Electronic Data for Mail Mode
6. Anti-Counterfeiting Consortium to Identify Online Nefarious Actors (ACTION) Plan
7. Analyze Enforcement Resources
8. Create Modernized E-Commerce Enforcement Framework
9. Assess Contributory Trademark Infringement Liability for Platforms
10. Re-Examine the Legal Framework Surrounding Non-Resident Importers
11. Establish a National Consumer Awareness Campaign

Unless the trafficking of counterfeit and pirated goods is greatly reduced, Americans will continue to face unacceptably high health and safety risks, American enterprises and workers will continue to endure severe negative impacts, innovation and economic growth will suffer, and America will continue to be exposed to significant national security risks.

1. Ensure Entities with Financial Interests in Imports Bear Responsibility

DHS will pursue a modernized enforcement and regulatory framework that reflects the economic realities of international e-commerce and ensures that the flow of contraband is stopped at its source.

- CBP will adjust its entry processes and requirements, as necessary, to ensure that all appropriate parties to import transactions are held responsible for exercising a duty of reasonable care.
- CBP will treat domestic warehouses and fulfillment centers as the ultimate consignee for any good that has not been sold to a specific consumer at the time of its importation. As discussed in this report, counterfeit products evade detection and sit in fulfillment centers waiting for purchase by a consumer. By treating domestic warehouses and fulfillment centers as consignees in such circumstances, CBP can enhance their ability to identify Section 321 abuses consistent with current authorities, as well as use its other statutory and regulatory authorities to combat trafficking of counterfeit goods in the possession of domestic warehouses and fulfillment centers.
- DHS will encourage platforms and other third-party intermediaries that own or operate warehouses or fulfillment centers to pursue, in coordination with rights holders, bulk abandonment and destruction of contraband goods that were not interdicted by CBP but are in the platform's or other third-party intermediary's possession in a warehouse or fulfillment center. In cases where CBP suspects merchandise destined for a U.S. fulfillment center violates trade laws prohibiting importation of counterfeit goods and initiates a seizure process for merchandise, CBP will notify the platform or other third-party intermediary operating the fulfillment center or warehouse and request they pursue abandonment and destruction with the rights holders of any identical offending goods in their possession. Failure to cooperate following such notification could be a factor when CBP and ICE identify counterfeit cases to pursue under their existing authorities.

- CBP will require formal entry for shipments deemed high-risk, notwithstanding that such shipments might otherwise qualify for duty-free or informal entry treatment. High-risk merchandise shall include those categories of goods that pose an elevated risk of counterfeiting and shall consider the source of the merchandise.
- CBP will address such high-risk shipments within its current bonding regime, developing a framework for a new type of bond specifically for counterfeit risk (like bonds required for anti-dumping and countervailing duties).
- In consultation with the Department of Justice, CBP will provide guidance regarding the types of customs violations that could be actionable under the False Claims Act (FCA) and will make information regarding successful FCA claims publicly available to inform and enable the public to identify and bring such violations to the attention of the government.

2. Increase Scrutiny of Section 321 Environment

As described above, existing laws and administrative practices may not sufficiently define responsibilities in the e-commerce environment, including who within an e-commerce transaction bears responsibility and legal liability for illicit merchandise and other violations. Statutes and administrative practices can be clarified and updated to provide greater transparency and information about the various parties involved so that DHS can identify high-risk transactions, interdict dangerous merchandise, and cause bad actors to pay the price for their actions. To address this problem in the Section 321 environment, CBP shall require data that sufficiently identifies the third-party seller and the nature and value of the imported merchandise, as well as other information that is necessary to determine the responsible party for Section 321 eligibility purposes, consistent with existing legal authorities. This will be informed by the following efforts:

- **Gather Information through Pilot Program.** CBP has been examining different e-commerce platform business models and has initiated several pilot programs designed to better understand the dynamics involved, and the type of information that the government should be collecting, including the “Section 321 Data Pilot” specifically for Section 321 entries, 84 Fed Reg. 35405 (July 23, 2019). CBP plans to continue these efforts for approximately two years and will use the information gained to better target counterfeits in the Section 321 environment, to help shape the scope of further policy formation, and ensure compliance with customs laws.
- **Enhanced Data Requirements.** Upon collection of adequate amounts of data through the Section 321 Data Pilot to identify gaps in the current data collection framework, but no later than six months from the issuance of this report, CBP will, consistent with applicable law, take all necessary steps — including, as applicable, issuing a notice of proposed rulemaking — to initiate a new data collection process. This process will include collecting certain information from domestic warehouses or fulfillment centers about third-party sellers in transactions for which the third-party seller utilizes a domestic warehouse or fulfillment center to store inventory for further sale to domestic consumers. The collection will also include data that sufficiently identifies the third-party seller and the nature and

value of the imported merchandise, as well as other information that is necessary to determine the responsible party for Section 321 eligibility purposes, consistent with existing legal authorities. As appropriate, the domestic warehouse or fulfillment center may be deemed the “person” for Section 321 eligibility if the warehouse or fulfillment center fails to provide CBP with such information.

- **Issue Guidance.** To prevent abuse of Section 321, CBP will develop administrative guidance and, if necessary, consider whether promulgating new regulations is necessary to better define and subsequently enforce Section 321 eligibility requirements. At a minimum this guidance will address the following:
 - What value needs to be reported for a Section 321 entry; and
 - What information will be necessary to uniquely identify the ultimate consignee.

3. Suspend and Debar Repeat Offenders; Act Against Non-Compliant International Postal Operators

In appropriate circumstances, CBP and ICE currently take steps to add persons (both entities and individuals) that have been found to lack present responsibility to the federal suspension and debarment list. Those persons on this suspension and debarment list are prohibited from participating in both government procurement and certain other non-procurement activities. However, current agency practices continue to permit these persons to obtain importer of record numbers and import goods into the United States.

Explicitly clarifying the scope of suspension and debarment to prevent participation in the importer of record program by amending Executive Order 12549 will assist CBP in requiring regulated entities to screen their customers against the suspension and debarment list. This will improve targeting and reduce the number of packages sent by repeat offenders, thereby stopping the flow of contraband at their sources.

- CBP recommends amending Executive Order 12549 to explicitly bar suspended and debarred persons from participating in the Importer of Record Program.
- Following such an amendment, or as otherwise consistent with applicable law and Executive Orders, CBP will require express consignment operators, carriers, and hub facilities to verify their customers have not been suspended or debarred from participating in the Importer of Record Program and refuse to provide import-related services to such suspended or debarred customers.
- Consistent with applicable law, CBP will condition continued access to its “trusted trader programs” by express consignment operators, carriers, and hub facilities on compliance with this verification process that determines whether a customer has been suspended or debarred.

- Consistent with applicable law, CBP also will identify non-compliant international postal operators and international posts by developing an International Mail Non-Compliance metric and will take enforcement actions based on these metrics.

4. Apply Civil Fines, Penalties, and Injunctive Actions for Violative Imported Products

It is critical to the integrity of e-commerce and for the protection of consumers and rights holders that e-commerce platforms that operate third-party marketplaces, and other third-party intermediaries assume greater responsibility, and therefore greater liability for their roles in the trafficking of counterfeit and pirated goods. To that end, CBP and ICE will use existing statutory and regulatory authorities to reach the activities of third-party marketplaces and other intermediaries where evidence demonstrates they have unlawfully assisted in the importation of counterfeit and pirated goods through the following actions:

- CBP and ICE will immediately begin to identify cases in which third-party intermediaries have demonstrably directed, assisted financially, or aided and abetted the importation of counterfeit merchandise. In coordination with the Department of Justice, CBP and ICE will seek all available statutory authorities to pursue civil fines and other penalties against these entities, including remedies under 19 U.S.C. § 1526(f), as appropriate.
- DHS recommends the administration pursue a statutory change to explicitly permit the government to seek injunctive relief against third-party marketplaces and other intermediaries dealing in counterfeit merchandise.
- In the interim, DHS will provide information and support to registered brand owners looking to utilize statutory authorities to seek injunctive relief against persons dealing in counterfeit merchandise, whether through direct sales or facilitation of sales, following seizures of goods that are imported contrary to law.
- ICE shall prioritize investigations into intellectual property-based crimes regardless of size and will make referrals for all such investigations where appropriate.
- ICE will coordinate with the Department of Justice to develop a strategy to investigate and prosecute intellectual property violations at all levels of the supply chain at a sufficiently high level to respond to the concerns raised in this report and according to its budget and broader mission goals.

5. Leverage Advance Electronic Data for Mail Mode

The United States Postal Service (USPS) is responsible for the presentation of mail and the provision of advance electronic data (AED) to CBP for arriving international mail parcels. USPS receives such AED from international posts. As has been noted, given the number of e-commerce transactions that are sent by mail, there is a significant gap in the information CBP receives. USPS and CBP have enhanced their collaboration in the targeting and identification of offending

merchandise that is imported through international mail. Both agencies are implementing new strategies for leveraging the AED already available to identify offending merchandise by taking the following actions:

- DHS and USPS have signed a letter of intent that enables the USPS to work alongside CBP during special operations to become a force multiplier in the interdiction of counterfeit products.
- Upon completion and publication of the Synthetics Trafficking and Overdose Prevention (STOP) Act implementing regulations, DHS will use information gleaned from the 321 Data Pilot and will make recommendations to USPS to address any critical data gaps that remain between what is required of mail versus air cargo. At a minimum, this effort will seek to enhance the individualized tracking of international mail parcels sent through air cargo.

6. Plan for ACTION

Counterfeit networks can be complex and multidimensional, exploiting legal and regulatory nuances in the different stages and aspects of international trade. Yet, for a variety of reasons, including competition law and trade secrets protection, various stakeholders in the e-commerce supply and distribution chains historically have not shared information on problematic sellers, shippers, freight forwarders, brokers, and other third-party intermediaries involved in counterfeit trafficking.

To address this issue, the IPR Center established the E-Commerce Working Group (ECWG) to foster and encourage the flow of actionable data and information between platforms and relevant third-party intermediaries as well as affected carriers, shippers, search engines, and payment processors. DHS supports the efforts of the IPR Center's ECWG and recommends the formation of the Anti-Counterfeiting Consortium to Identify Online Nefarious Actors (ACTION). Specific ACTION efforts will include the following:

- Sharing information within the ACTION framework on sellers, shippers, and other third-party intermediaries involved in trafficking in counterfeit and pirated goods.
- Sharing of risk automation techniques allowing ACTION members to create and improve on proactive targeting systems that automatically monitor online platform sellers for counterfeits and pirated goods.
- In addition, ACTION members may enter non-binding memoranda of understanding (MOU) with the IPR Center, consistent with U.S. law, to clarify the expectations and legal understanding for data sharing and coordinated IPR enforcement moving forward. Such MOUs will provide a vehicle to create a compliance scoring mechanism, as well as to delineate reasonable efforts to know the seller as well as the scope of products involved

(e.g., fast-moving consumer goods, consumer electronics, fashion and luxury products, sports goods, software, and games, and toys).

7. Analyze Enforcement Resources

Packages shipped through the international mail environment account for approximately 500 million packages annually. This does not include the millions of packages sent out daily via express consignment carriers. Amidst this flood of packages, insufficient resources can create a key limitation on the capabilities of DHS and other government agencies to screen, target, and detect the counterfeit and pirated goods that hide amongst the increasing massive flow of small packages.

A lack of resources also limits the ability of intelligence gathering and analysis, the proper determination of whether suspect goods may be counterfeit, the collection of comprehensive data on the trafficking in counterfeit and pirated goods, and the ability to conduct criminal investigations into the organizations that traffic in counterfeit goods. To address these issues, the following actions shall be taken:

- CBP will analyze whether the fees collected by CBP are currently set at sufficient levels to reimburse the costs associated with processing, inspecting, and collecting duties, taxes, and fees for parcels. CBP shall also provide recommendations to the Department of the Treasury regarding any fee adjustments that would be necessary to fund and reimburse the federal government's costs for more effectively combating the trafficking of counterfeit and pirated goods.

8. Create Modernized E-Commerce Enforcement Framework

DHS will pursue a modernized enforcement framework that reflects the economic realities of international e-commerce. This new framework may rely on the provision of privileges or benefits by CBP to e-commerce entities in exchange for the submission of additional data elements and sufficient internal controls that demonstrate the entities' ability to identify and manage risk within their respective supply chains. This new framework may also require updates to existing statutes and regulations to underpin this effort. Key elements of a modernized e-commerce enforcement framework could include, but are not limited to:

- Seeking statutory authority to treat IPR infringing goods as summarily forfeited upon discovery by CBP or ICE similar to the treatment of Schedule I and II narcotics under Title 21 of the U.S. Code. This will send a clear message about the importance of IPR enforcement, and simultaneously streamline the disposition of CBP enforcement actions.
- Pursuing statutory and/or regulatory changes, as necessary, so that CBP can better share information with the private sector;
- Implementing a risk-based bonding regime for e-commerce transactions; and
- Adopting streamlined enforcement processes for seized, abandoned, and forfeited goods.

9. Assess Contributory Trademark Infringement Liability for E-Commerce

Online platforms have avoided civil liability for contributory trademark infringement in several cases. Given the advance and expansion of e-commerce, DHS recommends that the Department of Commerce consider the following measures:

- Assess the state of liability for trademark infringement considering recent judicial opinions, and the impact of this report—including platforms’ implementation of the best practices directed herein.
- Seek input from the private sector and other stakeholders as to the application of the traditional doctrines of trademark infringement to the e-commerce setting, including whether to pursue changes in the application of the contributory and/or vicarious infringement standards to platforms.

10. Re-Examine the Legal Framework Surrounding Non-Resident Importers

Currently, non-resident importers can legally enter goods into the United States provided they have a “resident agent” as defined in regulation. In practice, it can be difficult to compel non-resident importers to pay civil penalties and respond to other enforcement actions available to the USG. With this in mind, DHS should reevaluate the legal framework for allowing non-resident importers in the Section 321 *de minimis* low-value shipment environment.

11. Establish a National Consumer Awareness Campaign

Given the critical role that consumers can play in the battle against online counterfeiting, DHS recommends the development of a national public-private awareness campaign. The national public awareness campaign recommended by DHS should involve platforms, rights holders, and the applicable government agencies to provide education for consumers regarding the risks of counterfeits as well as the various ways consumers can use to spot counterfeit products. At present, many consumers remain uninformed as to the risks of buying counterfeit and pirated products online. These risks are both direct to them (e.g., tainted baby food), as well as indirect (e.g., sales revenues can fund terrorism).

Many consumers are also unaware of the significant probabilities they face of being defrauded by counterfeiters when they shop on e-commerce platforms. As this report has documented, these probabilities are unacceptably high and appear to be rising. Even those consumers motivated to conduct research and stay informed might lack the specialized knowledge and efficient user tools to make diligent online buying decisions.

A strong and ongoing national campaign to increase public awareness about the risks of counterfeits in an e-commerce world should help alert consumers about the potential dangers of some online purchases. To the extent e-commerce platforms empower their consumers to participate in the monitoring and detection of counterfeits, e.g., by implementing several of the best practices recommended in this report, this will also help in the fight against the trafficking in counterfeit and pirated goods.

This effort could use technology as well as provide online education. For example, online marketplaces could prominently display messages on their home pages, as well as on high-risk item pages, warning customers about the dangers of counterfeits and urging respect for intellectual property rights. Additionally, the campaign could be paired with technologically-enabled assurances of authenticity. Such an approach would provide commercial advantages to the platforms that adopt it while also benefiting consumers and rights holders through reliable methods to identify and certify the authenticity of branded products across online platforms.

8. Private Sector Best Practices

The following table catalogs a set of high priority “best practices” that should be swiftly adopted by e-commerce platforms that operate third-party marketplaces, and other third-party intermediaries. Under the authority of the Secretary of the Department of Homeland Security, these best practices shall be recommended and communicated to all relevant private sector stakeholders by the ICE/HSI-led IPR Center.

It shall be a duty of the IPR Center to encourage, monitor, and report on the adoption of, and the progress and effectiveness of, these best practices, through all means necessary within the scope of the legal authority of DHS and the Federal Government.

<i>Best Practices for E-Commerce Platforms and Third-Party Marketplaces</i>
1. Comprehensive "Terms of Service" Agreements
2. Significantly Enhanced Vetting of Third-Party Sellers
3. Limitations on High Risk Products
4. Efficient Notice and Takedown Procedures
5. Enhanced Post-Discovery Actions
6. Indemnity Requirements for Foreign Sellers
7. Clear Transactions Through Banks that Comply with U.S. Enforcement Requests
8. Pre-Sale Identification of Third-Party Sellers
9. Establish Marketplace Seller IDs
10. Clearly Identifiable Country of Origin Disclosures

1. Comprehensive “Terms of Service” Agreements

It is critical that platforms require all third-party sellers to sign comprehensive and stringent terms of service agreements that maximize the authorities of the platforms to combat counterfeit

trafficking. Terms of service agreements will provide platforms with an important legal means to combat counterfeit trafficking

Most obviously, these terms of service should incorporate explicit prohibitions on selling counterfeit and pirated goods. Once the platform has affirmatively detected infringement on a seller profile, the actions listed below under the category of “post-discovery actions” should be allowed under the terms and taken swiftly.

The terms of service should also list the potential repercussions sellers face for violations. Generally, these repercussions should allow platforms to impose sanctions such as suspension, termination, and debarment without waiting for a determination by a court for sellers who violate the terms of the agreement. The terms should include escalating capabilities to suspend, terminate, and debar counterfeit traffickers and their affiliates.

Specifically, they should allow the platform to conduct, at a minimum, the following actions in response to violations or identified risk factors in the seller’s profile and product postings without waiting for a determination by a court:

- (1) terminate or suspend a seller account based on the use or reference to a username that is confusingly similar to a registered trademark;
- (2) take down or suspend and keep down individual product postings based on the misuse of photographs, logos, external links to infringing content, certain coded messages with actual intellectual property references removed, or imbedded offers to manufacture; and
- (3) allow for an escalating enforcement structure that results in (for major infractions and/or repeat minor infractions) permanent removal of the seller, and any known related seller profiles, from the marketplace feature of the platform and further results in forfeiture and destruction of all offending goods in warehouses or fulfillment centers operated by, or under the control of, the platform.

To maximize platform authorities, and as explained further below, such terms of service should also allow platforms to impose appropriate limitations on products listed, require clearly identifiable country of origin disclosures, impose U.S. banking and indemnity requirements, and significantly improve pre-sale identification of third-party sellers.

2. Significantly Enhanced Vetting of Third-Party Sellers

Significantly enhanced vetting of third-party sellers is one of the most effective forms of due diligence platforms can engage in to reduce the risk of counterfeits entering the e-commerce stream. Platforms should have a uniform and articulable vetting regime to determine if a seller will be allowed to list products for sale.

To facilitate enhanced vetting, platforms should, at a minimum, require the following:

- (1) sufficient identification of the seller, its accounts and listings, and its business locations prior to allowing the seller to list products on the platform;
- (2) certification from the seller as to whether it, or related persons, have been banned or removed from any major e-commerce platforms, or otherwise implicated in selling counterfeit or pirated products online; and
- (3) acknowledgment, where applicable, that the seller is offering trademarked products for which the seller does not own the rights (either because they are a reseller or seller of used products).

Information provided by potential sellers should also be vetted for accuracy, including through the following efforts:

- (1) use of technological tools, as well as analyses of historical and public data, to assess risk of sellers and products; and
- (2) establishment of an audit program for sellers, concentrating on repeat offenders and those sellers exhibiting higher risk characteristics.

Any failure to provide accurate and responsive information should result in a determination to decline the seller account and/or to hold the seller in violation of the platform's terms of service.

3. Limitations on High Risk Products

Platforms should have in place protocols and procedures to place limitations on the sale of products that have a higher risk of being counterfeited or pirated and/or pose a higher risk to the public health and safety. For example, some of the major platforms completely prohibit the sale of prescription medications by third-party sellers in their marketplaces. Many platforms also ban the sale of products that are known to be particularly vulnerable to counterfeiting and that pose a safety risk when sold online. Examples include car airbag components, infant formula, and new batteries for cellular phones.

Platforms can also place other types of restrictions on third-party sellers before certain high-risk categories of goods may be sold. For example, some platforms require prior approval for items such as automotive parts, jewelry, art, food, computers, sports collectibles, DVDs, and watches that are particularly prone to counterfeiting.

Platforms should prominently publish a list of items that may not be sold on third-party marketplaces under any circumstances (prohibited), as well as a list of items that can only be sold when accompanied by independent third-party certification (restricted). In constructing these lists, platforms should consider, among other things, whether a counterfeit version of the underlying product presents increased risks to the health and safety of U.S. residents or the national security of the United States. When a seller claims their merchandise has an independent third-party certification, and this certification is required in order for the product to be legally offered for sale

in the United States, platforms should make good-faith efforts to verify the authenticity of these certifications.

4. Efficient Notice and Takedown Procedures

Notice and takedown is the most common method of removing counterfeit listings from third-party marketplaces and e-commerce platforms. This noticing process can be particularly time-consuming and resource-intensive for rights holders who currently bear a highly disproportionate share of the burden of identifying the counterfeit listings for noticing.

These rights holders must invest significant resources to scour millions of listings across multiple platforms to identify potentially counterfeit listings and notify the third-party marketplace or e-commerce platform. This kind of comprehensive policing of e-commerce often is not possible for smaller enterprises.

As a further burden, some third-party marketplaces require rights holders to buy the suspected products from the sellers to verify that they are in fact counterfeit. There often is a delay of a day or longer between the time that notice is provided, and the time listing is removed. During this period, counterfeiters may continue to defraud American consumers.

To address these abuses — and assume a much greater share of responsibility for the policing of e-commerce — platforms should create and maintain clear, precise, and objective criteria that allow for quick and efficient notice and takedowns of infringing seller profiles and product listings. An effective regime should include, at a minimum, the following: (1) minimal registration requirements for an interested party to participate in the notice and takedown process; (2) reasonable rules that treat profile owners offering large quantities of goods on consumer-to-consumer platforms as businesses; and (3) transparency to the rights holders as to how complaints are resolved along with relevant information on other sales activity by the seller that has been implicated.

5. Enhanced Post-Discovery Actions

Upon discovery that counterfeit or pirated goods have been sold, platforms should conduct a series of “post-discovery” actions to remediate the fraud. These should include:

- (1) notification to any buyer(s) likely to have purchased the goods in question with the offer of a full refund;
- (2) notification to implicated rights holders, with details of the infringing goods, and information as to any remaining stock of the counterfeit and pirated goods held in warehouses;
- (3) implementation of practices that result in the removal of counterfeit and pirated goods within the platform’s effective control and in a manner that prevents such goods from re-entering the U.S. or being diverted to other markets; and

(4) immediate engagement with law enforcement to provide intelligence and to determine further courses of action.

6. Indemnification Requirements for Foreign Sellers

For a large portion of e-commerce, foreign sellers do not provide security or protection against a loss or other financial burden associated with the products they sell in the United States. Because these sellers are located outside the United States, they also may not be subject to the jurisdiction of U.S. courts in civil litigation or government enforcement actions. Further adding to this liability gap, there is this: while e-commerce platforms generally have a U.S. presence and are under U.S. jurisdiction, under the current interpretations of American laws and regulations, they are often found not to be liable for harm caused by the products they sell or distribute.

The result of this jurisdictional and liability gap is that consumers and rights holders do not have an efficient or predictable form of legal recourse when they are harmed by foreign products sold on third-party marketplaces. Accordingly, e-commerce platforms should require foreign sellers to provide some form of security in cases where a foreign product is sold to a U.S. consumer. Such form of security should be specifically designed to cover the potential types and scope of harm to consumers and rights holders from counterfeit or pirated products.

Note that there are several ways that platforms might flexibly achieve this goal. For example, requiring proof of insurance would provide a form of security for any reasonably foreseeable damages to consumers that might flow from the use of the product. Rights holders could also be compensated in cases of infringement.

7. Clear Transactions Through Banks that Comply with U.S. Enforcement Requests

Many foreign sellers on third-party marketplaces do not have a financial nexus to the United States, making it difficult to obtain financial information and to subject all parts of the transaction to U.S. law enforcement efforts.

Platforms should close this loophole by encouraging all sellers to clear transactions only with banks and payment providers that comply with U.S. law enforcement requests for information and laws related to (relevant to) the financing of counterfeit activity.

8. Pre-Sale Identification of Third-Party Sellers

Stakeholders have, at times, reported that buyers have been surprised to discover upon completion of an online sales transaction, that the order will be fulfilled by an unknown third-party seller and *not* the platform itself. Without addressing the separate legal question of whether this comprises deceptive action *per se*, at least some buyers may have made different purchasing decisions if they

had known, prior to purchase, the identity of the third-party “storefront” owner, and/or the party ultimately responsible for fulfilling the transaction.

To increase transparency on this issue, platforms should significantly improve their pre-sale identification of third-party sellers so that buyers can make informed decisions, potentially factoring in the likelihood of being sold a counterfeit or IPR infringing merchandise. Platforms should implement additional measures to inform consumers, prior to the completion of a transaction, of the identity of storefront owners and/or those responsible for fulfilling a transaction, as well as any allegations of counterfeits being sold by a particular seller. On the converse, if a particular seller is a licensed reseller of the product, this information should also be provided.

Even if this information may be currently available, firm steps should be taken to ensure that this information is featured prominently in product listings. This will prompt greater consumer awareness and lead to more informed decision-making.

9. Establish Marketplace Seller IDs

Platforms generally do not require a seller on a third-party marketplace to identify the underlying business entity, nor to link one seller profile to other profiles owned by that same business, or by related businesses and owners. In addition, the party that appears as the seller on the invoice and the business or profile that appears on the platform to be the seller, may not always be the same. This lack of transparency allows one business to have many different profiles that can appear unrelated. It also allows a business to create and dissolve profiles with greater ease, which can obfuscate the main mechanism that consumers use to judge seller credibility, namely reviews by other buyers.

Platforms should require sellers to provide the names of their underlying business or businesses (if applicable), as well as any other related seller profiles owned or controlled by that seller or that clear transactions through the same merchant account. Platforms can use this seller ID information in three helpful ways:

First, to communicate to the consumer a more holistic view of “who” is selling the goods, allowing the consumer to inspect, and consult reviews of, all related seller profiles to determine trustworthiness. Second, linking all related sellers together will assist rights holders in monitoring who is selling goods that they believe to be infringing. Third, the platform can use the connections to other seller profiles to better conduct its own internal risk assessment, and make risk mitigation decisions (e.g., requiring cash deposits or insurance) as appropriate based on the volume and sophistication of the seller.

10. Clearly Identifiable Country of Origin Disclosures

Brick-and-mortar retail stores are required to have labels on their products that clearly identify the country or countries of origin. No such requirement applies to online e-commerce.

Platforms should require sellers to disclose the country of origin of their products; and platforms should post this country of origin information for all the products they sell. This will assist both the platforms and consumers in evaluating the risks that a product might be counterfeit.

9. Conclusions

Both private sector and USG input to this report have shown that the flood of counterfeit and pirated goods now being trafficked to American consumers through online third-party marketplaces is threatening both the public health and safety as well as national security. The lack of effective methods for addressing counterfeit goods stifles American innovation and erodes the competitiveness of U.S. manufacturers and workers. Despite increased efforts of both the USG and private sector stakeholders, the trafficking of counterfeit and pirated goods continues to worsen, in both the volume and the array of products being trafficked.

This report to President Donald J. Trump has identified a set of strong government actions that DHS and other federal agencies can begin executing immediately to address a crisis that is undermining America's trust in e-commerce even as it is exposing the American public to undue and unacceptable risks.

Additionally, this report has proposed a set of best practices for private sector stakeholders that DHS believes should be adopted swiftly. As the longstanding experiences of brick-and-mortar stores demonstrate, the private sector is capable of operating businesses that sell legitimate, not illicit, goods to American consumers. We should expect the same level of care from online third-party marketplaces that we expect from the stores physically located in our communities.

During the time you have spent reading this report, hundreds of thousands of new clicks in online third-party marketplaces have started the process for a new wave of counterfeits flooding into the United States. Although the USG will continue to benefit from additional information flowing from current-running pilot programs, and longer-term legislative and regulatory efforts, the time has come for action, both from the USG and those private sector companies that desire to be good partners in combating the scourge of counterfeiting.

10. Appendix A: The IPR Center

The National Intellectual Property Rights Coordination Center (IPR Center) is led by Homeland Security Investigations. The IPR Center plays an important role in consumer and rights holders education on the dangers of purchasing counterfeit goods and on how to report a suspected counterfeit to law enforcement.

In 2018, the IPR Center conducted 192 IPR and commercial fraud-related outreach efforts, reaching 12,061 people. As recommended in this report, this IPR Center should play a critical and expanded role in the ongoing battle against counterfeit trafficking.

This Appendix describes some of the major initiatives the IPR Center is currently involved in.

Background on the IPR Center

The IPR Center brings together 25 U.S. Government and foreign government agencies in a task force setting using a three-pronged approach to combat intellectual property and trade crime: interdiction, investigation, and outreach to the public and law enforcement. It seeks to coordinate a unified USG response to the growing threat of counterfeiting and has significantly expanded the original multi-agency law enforcement and regulatory endeavor created to target IPR crimes.

As part of this effort, rights holders, online marketplaces, payment processors and companies involved in all points across the supply chain regularly meet with members of the IPR Center to share their best practices, concerns, and suggestions. The information gathered at these events can lead to further collaboration across sectors to develop innovative solutions to complex cross-cutting challenges, including enhanced information sharing, joint enforcement actions, and specialized, targeted training and outreach.

IPR Training

The IPR Center, with assistance from the Department of State, works closely with International Narcotics and Law Enforcement Affairs (DOS/INL) and DOJ International Computer Hacking and Intellectual Property Section (formerly Intellectual Property Law Enforcement Coordinator - IPLEC). In conjunction with ICE Attaché offices, the IPR Center directs, organizes and delivers regional IPR training in the form of lectures and presentations to foreign customs, police, prosecutors, and magistrates.

IPR Center training programs are usually 3-5 days in length and emphasize IPR enforcement, particularly the investigation and prosecution of IPR violations and associated crimes such as smuggling and money laundering.

The training programs are interactive workshops led by subject matter experts and focus on health and safety risks associated with counterfeited items such as pharmaceuticals, electronics, automotive parts, and health and beauty products. With the growing number of e-commerce marketplaces, the training programs have an Internet-investigations focus as well.

Private sector representatives or associations are also invited to participate in the training programs to highlight the challenges their industry sector may face in a particular region and to highlight the necessity of government and industry cooperation.

Automotive Anti-Counterfeiting Council

The IPR Center meets regularly with automotive original equipment manufacturers through the Automotive Anti-Counterfeiting Council (A2C2) to address the sale and distribution of counterfeit parts and components to unsuspecting consumers, including the distribution of counterfeit parts through third-party marketplaces. The IPR Center and the A2C2 work together to provide training to federal and local law enforcement partners and payment processors on recognizing counterfeit automotive parts and conducting criminal investigations and prosecutions.

Defense Industrial Base Supply Chain

Addressing counterfeits in the defense industrial base supply chain is critical to national security. A faulty counterfeit product can harm not only the individual who uses it. It can impact the safety and security of the entire country if dangerous counterfeits are used in combat situations.

The Defense Federal Acquisition Regulation Supplement (DFARS) is a Department of Defense (DOD)-specific supplement to the Federal Acquisitions Regulation (FAR), which establishes government-wide regulations governing executive agency procurement contracts. DFARS 252.246-7007, Contractor Counterfeit Electronic Part Detection and Avoidance System, requires that certain government contractors institute and implement a counterfeit detection and avoidance system for electronic parts, including establishing the minimum requirements for such a system and penalties for a failure to comply. In addition, contractors can recover the costs of any rework or corrective action taken to remedy any counterfeits parts from subcontractors.

Operation Chain Reaction (OCR) is an ICE-led initiative at the IPR Center that targets counterfeits entering the supply chains of the DOD and other USG agencies. OCR began in June 2011, and it combines the expertise of 17 federal agencies. Each year, the OCR Task Force co-hosts the Counterfeit Microelectronics Working Group (CMWG) with the Department of Justice's Computer Crimes and Intellectual Property Section (CCIPS). Attendees include representatives from industry, law enforcement, Department of Defense (DOD), and Assistant United States Attorneys (AUSAs). The focus of the meetings is to enhance communication between law enforcement and industry and discuss the latest trends in the counterfeiting of integrated circuits. The CMWG's role is to protect the DOD supply chain through extensive collaboration.

11. Appendix B: Ongoing CBP Activities to Combat Counterfeit Trafficking

This appendix provides a brief summary of some of the major activities CBP and DHS engage in as part of the battle against the trafficking of counterfeit and pirated goods.

National Targeting Center

CBP's National Targeting Center (NTC) carries out daily targeting on IPR recidivists, which often use third-party marketplaces for counterfeit trafficking. It makes referrals to the IPR Center for review and distribution to its field offices for further investigation. It also provides real time IPR case support for Homeland Security Investigations and collaborates with the NTC's investigations division to collaborate on IPR criminal leads and existing cases.

COAC E-Commerce Working Group

The Commercial Customs Operations Advisory Committee (COAC) provides recommendations to the Secretaries of the Treasury and DHS on improvements to the commercial operations of CBP. The COAC consists of 20 members appointed by the Secretary of the Treasury and the Secretary of DHS.

COAC members are representative of the individuals and firms affected by the commercial operations of CBP. CBP's Office of Trade leads the COAC E-Commerce Working Group, which focuses on policy challenges surrounding the increase of e-commerce shipment volumes. The group recently finalized a supply chain map that the COAC recommended CBP use for outreach and policy-making endeavors.

Outreach

Section 311 of the Trade Facilitation and Trade Enforcement Act (TFTEA) (codified at 19 U.S.C. § 4350) calls for DHS to develop and execute an educational awareness campaign aimed at informing international travelers about the legal, economic, and public health and safety impacts of importing IPR-infringing merchandise. There have been four phases to date in the "Truth Behind Counterfeits" IPR public awareness campaign—summer 2017, holidays 2017, summer 2018, and holidays 2018.

During each of these four phases, advertisements have run on large-scale billboards in major U.S. airports throughout the country. There has also been a digital component to the campaign where the ads run on relevant travel-related websites.

CBP continues to partner with the private sector to conduct IPR risk assessments by allowing IPR owners to assist CBP in identifying authentic and low-risk shipments. CBP is also highly engaged with the private sector through participation in the IPR Working Group of the COAC's Trade Enforcement and Revenue Collection Subcommittee, and the Department of Commerce's Industry Trade Advisory Committee on Intellectual Property Rights.

In FY 2018, CBP conducted roundtables to bring together personnel from the law enforcement community and industry stakeholders for information sharing among members. This provided an opportunity for industry stakeholders to share specific industry standards with field personnel working to protect stakeholder rights at the border. In FY 2018, CBP held roundtables at the Automotive and Aerospace Center of Excellence and Expertise IPR Conference.

CBP personnel from headquarters, the ports, the centers, NTC, and the targeting groups also meet regularly with private sector stakeholders and trade associations to discuss trends, technologies, and ways to cooperate on IPR enforcement. CBP maintains IPR enforcement personnel across the country, allowing CBP personnel to meet with businesses and trade associations either at headquarters or in locations close to where the companies are located or do business. CBP personnel regularly meet with brand protection and other corporate officials on a company-specific basis.

Additionally, CBP pursues bilateral and multilateral engagements with foreign counterparts to conduct joint customs IPR enforcement operations, share effective enforcement practices, and exchange information on IPR violations to improve targeting and interdiction of counterfeit and pirated goods.

CBP, in coordination with ICE/HSI, focuses its bilateral engagement efforts on those countries with which CBP and ICE/HSI have a Customs Mutual Assistance Agreement (CMAA) and continues to pursue establishing new CMAAs with foreign governments around the world. CBP attachés stationed at embassies around the world facilitate cooperation through operational planning, information exchange, and sharing best practices between CBP and foreign customs authorities.

Training

CBP's IPR-related training focuses on training front-line and Center of Excellence and Expertise (Center) personnel on how detect, examine, and enforce IPR violations. Several offices within CBP collaborate to provide a robust IPR instructor-led training course that covers IPR seizure authority, enforcement best practices, administrative IPR procedures, and other critical legal and policy topics.

CBP's Office of Trade also conducts IPR webinars to educate port and Center personnel on IPR infringing products. Rights holders provide information on how to recognize IPR-infringing products, labels, and packaging. CBP is also developing a formalized Advanced IPR Enforcement Training course that will expand on the existing IPR Instructor-led Training course to increase students' knowledge of advanced IPR enforcement areas.

Private sector engagement also continues to comprise a significant part of CBP training for frontline personnel. Rights holders are routinely invited to address CBP audiences at local ports and the Centers. CBP also hosts national webinars with rights holders designed to train personnel across the country. Rights holders also provide CBP personnel with product identification guides

that describe methods to distinguish between genuine and infringing products. These guides afford frontline personnel the ability to compare imported merchandise with pictures of genuine products.

Additionally, CBP Regulations and Rulings provide training on advanced detection of trademark/copyright infringement to Import Specialists of the Automotive and Aerospace Center, the Consumer Products and Mass Merchandising Center, and the Apparel, Footwear and Textile Center, as well as to CBP officers at the ports of Newark, New Jersey, and John F. Kennedy Airport.

Rulemakings and Procedures

CBP has recently published two notices of proposed rulemaking related to the protection of intellectual property rights. In the first, CBP proposes to standardize the process by which customs brokers verify the identity of their clients, typically importers. The proposed regulations would formalize the verification process and require that a re-verification process be carried out by brokers every year. This improved broker knowledge is designed to allow for better commercial fraud prevention and revenue protection, and to help prevent the use of shell or shelf companies by importers who attempt to evade the customs laws of the United States. Preventing the use of shell or shelf companies by importers would help reduce the misclassification of merchandise to avoid duties, protect against IPR violations, reduce antidumping/countervailing duty infractions, and reduce the importation of unsafe merchandise.

The second proposal would create a procedure for the disclosure of information otherwise protected by the Trade Secrets Act to a trademark owner when merchandise has been voluntarily abandoned if CBP suspects that the successful importation of the merchandise would have violated U.S. trade laws prohibiting the importation of merchandise bearing counterfeit marks. This regulation will provide greater transparency for partner government agencies, as well as for rights holders; allowing both to reassess and amend their own enforcement strategies in light of contemporaneous attempts to import counterfeit and pirated goods.

Trade Special Operations

A CBP Trade Special Operation (TSO) is a comprehensive and focused trade targeting action conducted during a limited timeframe to address a specific trade enforcement risk, usually in support of one of CBP's Priority Trade Issues (PTIs), which include IPR violations. These operations target high-risk shipments at seaports, airports, CBP's international mail facilities, and express consignment carrier hubs across the United States.

Three related developments have contributed to the growth in the number of national and local TSOs and improved visibility into their results: (1) The implementation of the Automated Targeting System (ATS) Import Targeting module and the updated ATS Import Cargo module at the beginning of FY 2019; (2) the issuance of an updated TSO Standard Operating Procedures in FY 2019; and (3) the ongoing efforts of proactive trade enforcement managers collaborating within CBP's Integrated Trade Targeting Network, which meets monthly and represents all of CBP trade components (Field Offices, Centers, Headquarters, and other offices).

12. Appendix C: Homeland Security Investigations

Homeland Security Investigations (HSI) within DHS's Immigration and Customs Enforcement agency is the principal investigative arm of DHS. It is a vital U.S. asset in combating criminal organizations illegally exploiting America's travel, trade, financial and immigration systems and including the theft of intellectual property.

Investigations

HSI investigates sophisticated, complex conspiracies that span international boundaries. These investigations result in the prosecution of members of transnational criminal organizations and the seizure of illicit proceeds and contraband.

Operation In Our Sites

Since 2010, HSI has been conducting Operation In Our Sites (IOS). This operation targets criminal organizations that distribute dangerous and illicit goods via websites, online platforms, and social media sites.

Initially formed as a U.S.-based initiative for the seizure of domain name registrations, IOS has evolved to develop long term investigations that identify targets and assets in the U.S. and disrupt the financial schemes used by these organizations, both domestically and internationally.

Operation IOS has been expanded to include efforts by various European countries and coordinated by Europol (the European Union's law enforcement agency). These efforts include civil takedowns by private sector companies/groups.

In 2018, 26 countries and dozens of private sector companies participated in IOS, resulted in the criminal seizure of over 33,000 domain name registrations and the civil seizure of over 1.2 million domain name registrations.

In addition, over 2.2 million URL links to e-commerce platforms and social media platforms have been seized as a result of IOS. When a domain name registration is seized as part of IOS, Internet traffic to that site is redirected towards a seizure banner notifying visitors that the site has been seized for offering counterfeits. Since IOS began, there have been more than 177 million views of the IOS seizure banner.

On February 14, 2018, HSI also published its E-Commerce Strategic Plan. It leverages collaboration among private industry, law enforcement, and advocates for a cooperative enforcement approach to identify and dismantle organizations and prosecute people that traffic in dangerous and illicit goods utilizing various e-commerce outlets. These outlets include both the open-net and the dark web along with sales platforms, social media, and a variety of payment processors and shipping methods.

National Cyber-Forensics and Training Alliance

HSI has two staff members at the National Cyber-Forensics and Training Alliance (NCFTA), a non-government organization in Pittsburgh, PA. The professionals at NCFTA work with industry and law enforcement to de-conflict leads and coordinate operations between agencies, as well as to share intelligence and develop investigative referrals. The NCFTA brings together experienced law enforcement agents and analysts, governmental experts, and industry leaders to form an integral alliance between academia, law enforcement, and industry.

E-Commerce Working Group

In November 2017, HSI established the E-Commerce Working Group; it includes representatives from various online marketplaces, payment platforms, and express consignment businesses along with CBP and the FBI. This working group also includes the International Anti-Counterfeiting Coalition, a Washington, D.C.-based non-profit organization devoted to combating product counterfeiting and piracy.

The E-Commerce Working Group meets regularly to facilitate the exchange of intelligence, share best practices, and identify cross-sector collaboration among its members. In late 2018, HSI led a pilot project which involved the sharing of data among the participating online platforms. This pilot project demonstrated that criminal organizations are exploiting multiple online platforms to sell counterfeit items.

HSI is also working with members of the E-Commerce Working Group as they strive to establish, by late 2019, a practice of sustained and timely sharing of large amounts of information between the platforms. Once this has been accomplished, the initiative will be expanded to include participation by the payment platforms and express consignment sectors.

Training

HSI offers an advanced commercial fraud training course entitled “Intellectual Property and Trade Enforcement Investigations.” This two-week training covers a range of intellectual property and trade enforcement topics. Representatives from the consumer electronics, tobacco, automotive, and other industries subject to high counterfeit risk deliver presentations as part of this training. Four sessions of this course were delivered to 120 HSI and CBP attendees in FY 2019.

13. Appendix D: U.S. Government Efforts

Across the interagency, the USG engages in a comprehensive approach to monitor, deter, and prevent the importation, distribution, and sale of counterfeit and pirated goods into the United States. Law enforcement and regulatory agencies, as well as prosecutors and civil complainants all play a role in addressing this issue, especially as it affects the health and safety, economy and national security of the United States. Some aspects of this approach are mode-neutral while others are specific to the international sale of counterfeit and pirated goods through third-party platforms.

This appendix provides a brief summary of some of the major activities of select agencies and entities to address counterfeits and pirated goods sold on third-party marketplaces. This appendix does not present a comprehensive overview of all efforts to address intellectual property violations.

Department of State

The U.S. Department of State has found that increased diplomatic engagement on intellectual property protections at the highest practical levels, supported by interagency engagement and sustained and targeted capacity building, is an effective way to build up the necessary political will to adequately protect IPR overseas. This diplomatic and capacity-building engagement provides evidence of the weight that the U.S. gives to IPR protection worldwide. High-level engagement on IPR also allows U.S. officials the opportunity to educate foreign officials on the economic, social, and cultural benefits of protecting IPR while at the same time warning of the dangers to their economies, public health, and human safety presented by counterfeits and piracy.

The Department of State, through its Bureau of International Narcotics and Law Enforcement Affairs (INL), in consultation with the Bureau of Economic and Business Affairs Office of Intellectual Property Enforcement, supports the U.S. Transnational and High-Tech Crime Global Law Enforcement Network (GLEN).

The GLEN consists of the worldwide deployment of experienced U.S. law enforcement experts to deliver training and technical assistance to foreign law enforcement partners designed to advance operational success. INL also provides assistance to United States Patent and Trademark Office (USPTO) and the DHS IPR Center to enable them to deliver complementary capacity building.

Department of Commerce

The Department of Commerce International Trade Administration's Office of Standards and Intellectual Property OSIP (OSIP) provides domestic outreach events to promote IPR protection in online marketplaces and to educate small and medium sized enterprises on the value of protecting and enforcing their intellectual property rights both domestically and internationally.

Commerce's "STOPfakes Road Shows" represent a unique, interagency outreach event. They are presented in multiple U.S. cities with IPR-intensive industries and provide an array of panel speakers and IPR experts. These Roadshows deliver critically important information about intellectual property to audiences that need it most – start-ups, entrepreneurs, small and medium-sized businesses, independent creators, and inventors.

In addition, OSIP continues to expand the program’s unique interactive features. These include guided assistance by CBP officials to assist with trademark recordation and guidance from U.S. Copyright Office officials in registering copyright protections.

USPTO provides policy and technical advice to the Administration and Congress on legislation and other matters relating to civil, criminal, and border enforcement of intellectual property. It is constantly working to improve domestic intellectual property laws and regulations and also seeks to increase public awareness through education on the risks of infringement and the benefits of IPR protection and enforcement.

In 2019, USPTO launched a multi-year, nationwide public awareness campaign with the National Crime Prevention Council in a joint effort to educate U.S. consumers about the dangers of counterfeit goods.

USPTO, including through its Global Intellectual Property Academy (GIPA), provides and participates in technical assistance and capacity-building programs for foreign governments seeking to develop or improve their intellectual property laws and regulations, and to enhance the expertise of those responsible for intellectual property rights enforcement.

Federal Bureau of Investigation

In October 2015, the Federal Bureau of Investigation (FBI) developed a new strategy to combat IPR crime by helping different industry sectors identify common challenges and work together to solve these challenges. The FBI’s strategy focuses on building partnerships with key intermediaries in the supply chain for counterfeit and pirated goods, such as e-commerce platforms, payment processors, and the ecosystem for online advertising.

The FBI’s strategy also focuses on identifying and pursuing investigations against “systemic enablers” or entities which knowingly facilitate the large-scale infringement of intellectual property rights. As one example of this in action, in 2017 the FBI helped several e-commerce companies re-evaluate their policies regarding the sale of potentially hazardous counterfeit goods online.

At the IPR Center, the FBI helps provide funding and logistical support for the HSI-managed “report IP theft” button, a web-based application for consumers and rights holders to submit complaints to law enforcement regarding suspected infringing activities. The FBI is currently working on developing new analytic tools to help process consumer and rights holder complaints.

U.S. Trade Representative

The Office of the U.S. Trade Representative (USTR) is responsible for developing and coordinating international trade policy for the U.S. government with respect to IPR protections. USTR also oversees negotiations with trading partners, including on IPR issues.

USTR uses a wide range of bilateral and multilateral trade tools to promote strong intellectual property laws and effective enforcement worldwide, reflecting the importance of intellectual property and innovation to the growth of the U.S. economy.

U.S. Food and Drug Administration

The U.S. Food and Drug Administration (FDA) protects the public health by ensuring the safety, efficacy, and security of food, drugs, medical devices, cosmetics and many public health products. One key method that FDA uses to strengthen its public health mission is through regulations and investigations of counterfeit products.

The FDA also issues safety alerts and recalls of dangerous products. The Consumer Product Safety Commission (CPSC) promotes the safety of consumer products by addressing unreasonable risks of injury and developing uniform safety standards. Not surprisingly, counterfeit and pirated products typically do not comply with CPSC requirements.

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U.S. Postal Service

As discussed in this report, one critical mission of USPS is to receive advance electronic data (AED) for inbound international mail, originating in 191 different countries. At present, USPS receives AED data from a majority of the inbound international mail it receives. However, it is also required, under the Synthetics Trafficking and Overdose Protection (STOP) Act of 2018, Pub. L. No. 115-271, §§ 8001-8009, 132 Stat. 3893, Title VIII, Subtitle A, to receive AED on all international mail packages by December 31, 2020.

Importantly, USPS provides the its advance electronic data it receives to CBP. This information sharing assists CBP in better targeting packages before the items arrive at the international service centers.

14. Appendix E: Global Initiatives

The proliferation of counterfeit goods on third-party marketplaces is a global problem. This Appendix offers a brief survey of some of the global options and cooperative efforts available to combat the trafficking of counterfeit and pirated goods.

International Organizations

The World Trade Organization's (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights contains disciplines to protect intellectual property that are enforceable through the WTO's Dispute Settlement Body. The World Intellectual Property Organization, a United Nations specialized agency, is a global forum for intellectual property services, policy, information, and collaboration. The World Customs Organization (WCO) leads international customs cooperation, including with respect to the enforcement of intellectual property rights.

The International Police Organization (INTERPOL), in a partnership with Underwriters Laboratories (UL) operates the International IPR Crime Investigators College (IIPCIC). The mission of IIPCIC is to educate global law enforcement and stakeholder groups to effectively combat transnational IPR crime. Over 160 countries have visited the IIPCIC site since its launch and representatives from over 800 law enforcement agencies have enrolled in the training. INTERPOL enables its members to share and access data on crime and criminals, including counterfeit goods.

Europe

Several European government agencies have developed Memoranda of Understandings (MOUs) with the private sector to address counterfeit issues. For example, the European Commission has facilitated an MOU on the sale of counterfeit goods via the internet with major internet platforms and rights holders who are affected by online sales of counterfeit goods. The platforms commit to notice and take down procedures and to taking pro-active and preventive measures, such as the use of monitoring tools allowing detection of illegal content.

The European Commission also concluded an MOU on Online Advertising and IPR in 2018 that extends to trademarks and copyright. Signatories commit to minimize the placement of advertising on websites and mobile applications that infringe on IPR or disseminate counterfeit goods so as to reduce the revenues of these trafficking websites and apps.

In France, through the French Ministry of Economy, postal operators have signed a charter to address counterfeits with rights holders that focuses on outreach, collaboration and training. In December 2018, brand owners and certain online platforms also signed a charter to fight counterfeits online, which organizes cooperation between brand owners, online platforms, and law enforcement authorities and helps implement preventive measures as well as notice and takedown procedures.

There have also been European efforts to enhance technology associated with protecting intellectual property rights. The European Union Intellectual Property Office (EUIPO) held the

inaugural EU Blockathon competition to develop IPR-protection solutions based on blockchain technologies.

The Intellectual Property Crime Coordinated Coalition (IPC3) at Europol provides operational and technical support to law-enforcement agencies and other partners in the EU. The IPC3 has supported more than 50 high-priority cases of intellectual property infringement. It takes down websites used to sell counterfeit merchandise and shut downs illegal operations that use bitcoin.

The City of London Police (CoLP), and IPR Center partner agency, host the Police Intellectual Property Crime Unit (PIPCU). CoLP is funded by the UK Intellectual Property Office to fight criminals who infringe trademark and copyrights. It works with law enforcement agencies in the UK and across the world to arrest criminals who engage in the production, importation and sale of counterfeit goods.

Postal and customs agencies in France and Italy have organized joint operations where all parcels entering the international office of exchanges from targeted countries are screened for counterfeit goods.

Canada

Canada has created Project Chargeback to fight counterfeiting, fraud, and IPR theft by enabling deceived consumers to get their money back. The initiative, which began in 2012, is administered by the Canadian Anti-Fraud Center (CAFC).

Under the authority of Project Chargeback, defrauded consumers can file a complaint with their bank or the CAFC and provide information on the purchase. The CAFC then works with rights holders to confirm that the goods were counterfeit and relays this information to the cardholder's bank.

The cardholder's bank then initiates a charge back against the seller's merchant account. That results in the termination of the merchant's account used by the counterfeiter, and the victims are instructed not to return the counterfeit goods to the seller.

15. References

Following the mandates set forth in President Trump's April 3, 2019, *Memorandum on Combating Trafficking in Counterfeit and Pirated Goods*, the report shall, as its primary goals:

- Analyze available data and other information to develop a deeper understanding of the extent to which online third-party marketplaces and other third-party intermediaries are used to facilitate the importation and sale of counterfeit and pirated goods;
- Identify the factors that contribute to trafficking in counterfeit and pirated goods; and describe any market incentives and distortions that may contribute to third-party intermediaries facilitating trafficking in counterfeit and pirated goods.
- Identify appropriate administrative, statutory, regulatory, or other changes, including enhanced enforcement actions, that could substantially reduce trafficking in counterfeit and pirated goods or promote more effective law enforcement regarding trafficking in such goods.

In the course of pursuing these goals, the report shall also:

- Evaluate the existing policies and procedures of third-party intermediaries relating to trafficking in counterfeit and pirated goods, and identify the practices of those entities that have been most effective in curbing the importation and sale of counterfeit and pirated goods, including those conveyed through online third-party marketplace
- Identify appropriate guidance that agencies may provide to third-party intermediaries to help them prevent the importation and sale of counterfeit and pirated goods.
- Identify appropriate administrative, regulatory, legislative, or policy changes that would enable agencies, as appropriate, to more effectively share information regarding counterfeit and pirated goods, including suspected counterfeit and pirated goods, with intellectual property rights holders, consumers, and third-party intermediaries.
- Evaluate the current and future resource needs of agencies and make appropriate recommendations for more effective detection, interdiction, investigation, and prosecution regarding trafficking in counterfeit and pirated goods, including trafficking through online third-party marketplaces and other third-party intermediaries; and recommend changes to the data collection practices of agencies, including specification of categories of data that should be collected and appropriate standardization practices for data.
- Identify areas for collaboration between the Department of Justice and Department of Homeland Security on efforts to combat trafficking in counterfeit and pirated goods.

See full memorandum at, President Donald J. Trump, *Memorandum on Combating Trafficking in Counterfeit and Pirated Goods*, 3 April 2019. <https://www.whitehouse.gov/presidential-actions/memorandum-combating-trafficking-counterfeit-pirated-goods/>

Doe #	Marketpl. Short	Seller Name	Seller ID	Product ID	IP Infringement	Copyright Used File Names [1]
1	Alibaba	Shenzhen Bergek Technology Co., Ltd.	bergekek	60725044634	Design Patent	n/a
2	Alibaba	Runking Technology Co., Ltd. (Quanzhou)	cnrunking	60763353545	Design Patent	n/a
3	Alibaba	Zhongshan Creation Customized Gift Co., Ltd.	creation-gift	1600119517704	Design Patent	n/a
4	Alibaba	Zhongshan Chengshang Arts And Crafts Co., Ltd.	csgifts	1600171783274	TM-in-Image, TM-in-Title, Design Patent, Copyright	Keysmart-5,Keysmart-6
4	Alibaba	Zhongshan Chengshang Arts And Crafts Co., Ltd.	csgifts	1600171755448	TM-in-Image, TM-in-Title, Design Patent, Copyright	Keysmart-6
5	Alibaba	Dongguan Darksign Electronics Technology Co., Ltd.	darksign	62451460911	Design Patent	n/a
6	Alibaba	Dongguan Shangen Precision Metal Plate Co., Ltd.	dgshangen	1600089835711	Design Patent	n/a
7	Alibaba	Chengdu Mazelen E-Commerce Co., Ltd.	easystore	1600108199992	Design Patent, Copyright	Keysmart-1,Keysmart-4
8	Alibaba	Dongguan Shuangxin Industry Co., Ltd.	gdsx2018	62455670926	Design Patent, Copyright	Keysmart-1
8	Alibaba	Dongguan Shuangxin Industry Co., Ltd.	gdsx2018	1600085770258	Design Patent, Copyright	n/a
9	Alibaba	Jiangmen Xiaohe Trading Co., Ltd.	jmxiaohe	62084854221	Design Patent	n/a
10	Alibaba	Dongguan Chongshang Technology Ltd.	kongsun	1600184233592	Design Patent	n/a
11	Alibaba	Zhongshan Niya Metal Manufacture Co., Ltd.	mlgift	60782793506	TM-in-Image, TM-in-Title, Design Patent	n/a
12	Alibaba	Ningbo Beilun Rwx Outdoor Products Co., Ltd.	nbrwx	62189892103	Design Patent	n/a
13	Alibaba	Chongqing Shengxinda Trade Co	shengxinda	62406501764	Design Patent	n/a
13	Alibaba	Chongqing Shengxinda Trade Co	shengxinda	1600106753292	Design Patent	n/a
13	Alibaba	Chongqing Shengxinda Trade Co	shengxinda	62406168494	Design Patent	n/a
13	Alibaba	Chongqing Shengxinda Trade Co	shengxinda	1600151321414	Design Patent	n/a
13	Alibaba	Chongqing Shengxinda Trade Co	shengxinda	60759144331	Design Patent	n/a
13	Alibaba	Chongqing Shengxinda Trade Co	shengxinda	62587120804	Design Patent	n/a
13	Alibaba	Chongqing Shengxinda Trade Co	shengxinda	1600215491130	Design Patent	n/a
14	Alibaba	Quxiang Life (Shenzhen) Co., Ltd.	szenjoylife	62513246457	Design Patent	n/a
15	Alibaba	Guangzhou Tengya Leather Products Co.	t-mfy	1600199913304	TM-in-Image, Design Patent, Copyright	Keysmart-4,Keysmart-13,Keysmart-14,Keysmart-6
16	Alibaba	Yi Wu Ta Dou Trading Firm	tadou	1600163187526	Design Patent, Copyright	Keysmart-3
17	Alibaba	Dongguan Tent Station Display Co., Ltd.	tentstation	1600096698731	Design Patent	n/a
18	Alibaba	Ningbo Topfeng Houseware Co., Ltd.	topfeng	60357940221	Design Patent, Copyright	Keysmart-5
19	Alibaba	Ningbo Top Gifts Co., Ltd.	topgifts	1600209844305	Design Patent	n/a
20	Alibaba	Shenzhen X-World Technology Co., Ltd.	worldb2b	62392058900	Design Patent	n/a
21	Alibaba	Shenzhen Xin-Inspiration Metal Craft Co., Ltd.	xin-inspiration	60760918947	TM-in-Image, Design Patent	n/a
21	Alibaba	Shenzhen Xin-Inspiration Metal Craft Co., Ltd.	xin-inspiration	60808102353	Design Patent	n/a
22	Alibaba	Yiwu Lvchang Crafts Co., Ltd.	ywlvchang	1600060300753	Design Patent	n/a
23	Alibaba	Zhengzhou Yuanwo Trading Co., Ltd.	zzywmy	60745280580	Design Patent	n/a
24	Aliexpress	The Three Musketeers' Store	1407764	1005001445475127	Design Patent, Copyright	Keysmart-1,Keysmart-4
25	Aliexpress	Ruil Store	2058170	4000301131868	Design Patent, Copyright	Keysmart-1,Keysmart-4
26	Aliexpress	NASTASSA Official Store	2404002	1005002027211320	Design Patent, Copyright	Keysmart-1
26	Aliexpress	NASTASSA Official Store	2404002	4001170132515	Design Patent, Copyright	Keysmart-1
27	Aliexpress	Godness House-jder Store	2781130	4000344772382	Design Patent, Copyright	Keysmart-1,Text-1
28	Aliexpress	Sixth Life's Store	2881177	4001227115995	Design Patent, Copyright	Keysmart-1,Text-1
29	Aliexpress	NanYou Outdoor Camping Supplies Store	2927094	32805563312	Design Patent, Copyright	Keysmart-7,Keysmart-8,Keysmart-9
30	Aliexpress	Emperor Life Store	4442034	4001298707698	Design Patent, Copyright	Keysmart-1,Text-1
31	Aliexpress	Shop4663007 Store	4663007	33017034473	Design Patent, Copyright	Keysmart-1
32	Aliexpress	WZBMQPF Outdoor Equipment Store	4876037	4000822275442	Design Patent, Copyright	Keysmart-7,Keysmart-8,Keysmart-9
33	Aliexpress	JosheLive Online Store	4885032	4000296157553	Design Patent, Copyright	Keysmart-1,Text-1
33	Aliexpress	JosheLive Online Store	4885032	4000296177230	Design Patent, Copyright	Keysmart-1,Text-1
34	Aliexpress	Everything Life Store	5004020	4000318247633	Design Patent, Copyright	Text-1,Keysmart-1
34	Aliexpress	Everything Life Store	5004020	1005001499051046	Design Patent, Copyright	Text-1,Keysmart-1
35	Aliexpress	Innovation House & Improve Life Store	5008161	4000274538115	Design Patent, Copyright	Keysmart-1,Text-1
35	Aliexpress	Innovation House & Improve Life Store	5008161	4000274519435	Design Patent, Copyright	Keysmart-1,Text-1
36	Aliexpress	ASDFGHIW Store	5037091	4000071484271	Design Patent	n/a
37	Aliexpress	Our Dreams Are Goods Store	5039290	4000292635126	Design Patent, Copyright	Text-1,Keysmart-1

Doe #	Marketpl. Short	Seller Name	Seller ID	Product ID	IP Infringement	Copyright Used File Names [1]
38	Aliexpress	Indoor Outdoor Supplies Drop ship Store	5046044	1005002112056884	Design Patent, Copyright	Text-1,Keysmart-1
39	Aliexpress	Simpler life Store	5051309	4000344746997	Design Patent, Copyright	Keysmart-1,Text-1
39	Aliexpress	Simpler life Store	5051309	4000344755923	Design Patent, Copyright	Keysmart-1,Text-1
40	Aliexpress	Romantic Life-99 Store	5114001	1005002069036671	Design Patent, Copyright	Text-1,Keysmart-1
40	Aliexpress	Romantic Life-99 Store	5114001	1005002069013784	Design Patent, Copyright	Keysmart-1,Text-1
41	Aliexpress	Daily Life Houseware Store	5155083	4000320800173	Design Patent, Copyright	Text-1,Keysmart-1
42	Aliexpress	Exquisite house life Store	5156089	4000320804130	Design Patent, Copyright	Text-1,Keysmart-1
43	Aliexpress	Meipinhui Store	5246002	1005002259460684	Design Patent, Copyright	Text-1,Keysmart-1
44	Aliexpress	wealthy house jmon Store	5251089	4000248650884	Design Patent, Copyright	Keysmart-1,Text-1
45	Aliexpress	Global 3C- Accessories Store	5375011	4000412249502	Design Patent, Copyright	Text-1,Keysmart-1
46	Aliexpress	Creation Life Quality Store	5375080	1005001387613377	Design Patent, Copyright	Text-1,Keysmart-1
47	Aliexpress	Warm Wind Store	5437148	4000558641781	Design Patent, Copyright	Keysmart-1,Text-1
48	Aliexpress	Good Life House Store	5439166	4000439480123	Design Patent, Copyright	Text-1,Keysmart-1
49	Aliexpress	Warm Cosy Store	5464004	1005001504435296	Design Patent, Copyright	Text-1,Keysmart-1
50	Aliexpress	JOJOLAI FASHIONN Store	5560013	1005002065617398	Design Patent, Copyright	Text-1,Keysmart-1
51	Aliexpress	Comfortable Life & Warm House Store	5574130	4000615747335	Design Patent, Copyright	Keysmart-1,Text-1
52	Aliexpress	YUNFENG LIFE Store	5679030	4001305121778	Design Patent, Copyright	Text-1,Keysmart-1
53	Aliexpress	Homely Boutique Dropship Store	5707042	4001267126474	Design Patent, Copyright	Keysmart-1,Text-1
54	Aliexpress	YENTL Life Store	5728100	4001220423212	Design Patent, Copyright	Text-1,Keysmart-1
55	Aliexpress	Worldwide online life Store	5743281	4001290977871	Design Patent, Copyright	Text-1,Keysmart-1
56	Aliexpress	Enjoyable Life Dropship Store	5794628	4001039260522	Design Patent, Copyright	Keysmart-1,Text-1
57	Aliexpress	Shop5800624 Store	5800624	1005002070849396	Design Patent, Copyright	Text-1,Keysmart-1
57	Aliexpress	Shop5800624 Store	5800624	1005002282945870	Design Patent, Copyright	Text-1,Keysmart-1
58	Aliexpress	HLL Happiness Life Store	910621015	1005001821211393	Design Patent, Copyright	Keysmart-1,Text-1
58	Aliexpress	HLL Happiness Life Store	910621015	1005001558052252	Design Patent, Copyright	Keysmart-1,Text-1
58	Aliexpress	HLL Happiness Life Store	910621015	1005001557948589	Design Patent, Copyright	Keysmart-1,Text-1
58	Aliexpress	HLL Happiness Life Store	910621015	1005001821190482	Design Patent, Copyright	Keysmart-1,Text-1
59	Aliexpress	MM Home-life Store Store	911064184	1005002082089785	Design Patent, Copyright	Keysmart-1,Text-1
59	Aliexpress	MM Home-life Store Store	911064184	1005002082105745	Design Patent, Copyright	Keysmart-1,Text-1
60	Aliexpress	LT1123 Store	911122120	1005001942859985	Design Patent	n/a
61	Aliexpress	Be_FlowHome Store	911345022	1005002049429524	Design Patent, Copyright	Text-1,Keysmart-1
62	Amazon	VEND MART	A10SB4X88JCAXH	B08WWW9YH1	Design Patent, Copyright	Keysmart-1
63	Amazon	Lala Shopping	A11QFU2SZFGST1	B07MJ9HKV3	Design Patent	n/a
63	Amazon	Lala Shopping	A11QFU2SZFGST1	B07MQ4GLJT	Design Patent	n/a
63	Amazon	Lala Shopping	A11QFU2SZFGST1	B07MFP5PNT	Design Patent	n/a
63	Amazon	Lala Shopping	A11QFU2SZFGST1	B07MFP5JMT	Design Patent	n/a
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63	Amazon	Lala Shopping	A11QFU2SZFGST1	B07M7C98Q5	Design Patent	n/a
64	Amazon	MoJoyo	A12RRU4V97SU2B	B07SMGQVK8	Design Patent	n/a
65	Amazon	KOPOXY	A131USI0E83O4N	B07RJFW78S	Design Patent	n/a
66	Amazon	Faast-24h	A13HCSRZXM17RX	B07KJYJC4R	TM-in-Title, TM-in-Description, Design Patent, Copyright	Keysmart-4
67	Amazon	PandaHall Elite	A14PQ9XE94MKBD	B07DLTF4J2	Design Patent, Copyright	Keysmart-8
68	Amazon	Lovelystar	A150OKZ23PZKGD	B07R88STSP	Design Patent	n/a
69	Amazon	Beaty Fly	A16C4323PW3CMG	B07K7CHZP4	Design Patent	n/a
69	Amazon	Beaty Fly	A16C4323PW3CMG	B07K79TT7L	Design Patent	n/a
70	Amazon	Smartlove1P	A170AGRQNWQZ9G	B07QVLGZTQ	Design Patent	n/a
71	Amazon	ZhouYF	A1D9BQKSX5AOYT	B07CCZKMXB	Design Patent	n/a
72	Amazon	Vkermury	A1GZ96ACAMATT3	B07KFC3H6P	Design Patent, Copyright	Keysmart-8
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XLQLLH	Design Patent	n/a
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XM762R	Design Patent	n/a

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73	Amazon	Topind	A1N6NCJVPUTVWD	B075XM915X	Design Patent	n/a
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73	Amazon	Topind	A1N6NCJVPUTVWD	B075XMW3SQ	Design Patent	n/a
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XKQPBH	Design Patent	n/a
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XL3WT4	Design Patent	n/a
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XKPVSF	Design Patent	n/a
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XJKVJJ	Design Patent	n/a
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XKSNRS	Design Patent	n/a
73	Amazon	Topind	A1N6NCJVPUTVWD	B075XM79G9	Design Patent	n/a
74	Amazon	Yutalow	A1P3X6ZENBYA79	B0816MBRYM	Design Patent, Copyright	Keysmart-1
74	Amazon	Yutalow	A1P3X6ZENBYA79	B0816M9YW9	Design Patent, Copyright	Keysmart-1
75	Amazon	JIALIYOUKUANG	A1QJQ9E0EXLCYM	B07SQMQ7VN	Design Patent	n/a
76	Amazon	xinyankeying	A1VSN3C2DZSH2J	B0816M7GHD	Design Patent, Copyright	Keysmart-1
76	Amazon	xinyankeying	A1VSN3C2DZSH2J	B0816LM78Z	Design Patent, Copyright	Keysmart-1
76	Amazon	xinyankeying	A1VSN3C2DZSH2J	B0816MHNK4	Design Patent, Copyright	Keysmart-1
77	Amazon	yiruilong	A2RWI9HR4CT0TP	B08T6W61LR	Design Patent	n/a
78	Amazon	YOUKITTY	A31TYNIY99SAA0	B07RB1TXZT	Design Patent	n/a
79	Amazon	KASUKI	A32I9K01O2JZH1	B075D6TKRF	Design Patent	n/a
80	Amazon	Linyuex	A33QWMH20WJ42E	B08L16BQZ6	Design Patent, Copyright	Text-1
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80	Amazon	Linyuex	A33QWMH20WJ42E	B08L15XV98	Design Patent, Copyright	Text-1
80	Amazon	Linyuex	A33QWMH20WJ42E	B08L14L17Y	Design Patent, Copyright	Text-1
80	Amazon	Linyuex	A33QWMH20WJ42E	B08L15MGHN	Design Patent, Copyright	Text-1
80	Amazon	Linyuex	A33QWMH20WJ42E	B08L166HSV	Design Patent, Copyright	Text-1
81	Amazon	Aancy	A35EGI15YZMF2P	B07Q3B5XGY	TM-in-Title	n/a
82	Amazon	CHUNSMA	A35G3FF3KDPKPZ	B08K7LS2JL	Design Patent, Copyright	Text-1
82	Amazon	CHUNSMA	A35G3FF3KDPKPZ	B08K7JQGT9	Design Patent, Copyright	Text-1
82	Amazon	CHUNSMA	A35G3FF3KDPKPZ	B08K7JR6Y1	Design Patent, Copyright	Text-1
82	Amazon	CHUNSMA	A35G3FF3KDPKPZ	B08K7LBFSG	Design Patent, Copyright	Text-1
82	Amazon	CHUNSMA	A35G3FF3KDPKPZ	B08K7FMP5L	Design Patent, Copyright	Text-1
82	Amazon	CHUNSMA	A35G3FF3KDPKPZ	B08K7H3DJF	Design Patent, Copyright	Text-1
82	Amazon	CHUNSMA	A35G3FF3KDPKPZ	B08K7J2MW1	Design Patent, Copyright	Text-1
83	Amazon	beixuanuk	A3EGRMCV3T4I6C	B08TVPN9D2	Design Patent	n/a
84	Amazon	SBTR	A3H7SPKARMWXS	B0751FYS8B	Design Patent	n/a
84	Amazon	SBTR	A3H7SPKARMWXS	B0751FYS8B	Design Patent	n/a
85	Amazon	MaYingTrading	A3J95ZA7EC4WQC	B08XXD6V9F	Design Patent, Copyright	Text-1
85	Amazon	MaYingTrading	A3J95ZA7EC4WQC	B08XXBYPDB	Design Patent, Copyright	Text-1
85	Amazon	MaYingTrading	A3J95ZA7EC4WQC	B08XXDKJDQ	Design Patent, Copyright	Text-1
85	Amazon	MaYingTrading	A3J95ZA7EC4WQC	B08XXDY731	Design Patent, Copyright	Text-1
85	Amazon	MaYingTrading	A3J95ZA7EC4WQC	B08XXFVMWK	Design Patent, Copyright	Text-1
85	Amazon	MaYingTrading	A3J95ZA7EC4WQC	B08XX9KMXG	Design Patent, Copyright	Text-1
86	Amazon	VIC VSEE	A3P4LSD8HVIEIP	B07TDTGCGC	Design Patent	n/a
87	Amazon	WILD SHEEP (ワイルド シーブ)	A3RY3JJDON350X	B01IAFY26Y	Design Patent	n/a
87	Amazon	WILD SHEEP (ワイルド シーブ)	A3RY3JJDON350X	B01IAFY28M	Design Patent	n/a
87	Amazon	WILD SHEEP (ワイルド シーブ)	A3RY3JJDON350X	B07GTW6CGV	Design Patent	n/a
87	Amazon	WILD SHEEP (ワイルド シーブ)	A3RY3JJDON350X	B07GTV31SG	Design Patent	n/a
88	Amazon	Plai Na	A7910HL8GWQLJ	B07WNTZCYN	Design Patent	n/a
89	Amazon	Tong Yue	AE7ED3APZJZOH	B073Y5X7MF	Design Patent	n/a
89	Amazon	Tong Yue	AE7ED3APZJZOH	B073Y7MCDZ	Design Patent	n/a

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89	Amazon	Tong Yue	AE7ED3APZJZOH	B073Y3BDK9	Design Patent	n/a
89	Amazon	Tong Yue	AE7ED3APZJZOH	B073Y72DHP	Design Patent	n/a
89	Amazon	Tong Yue	AE7ED3APZJZOH	B073Y8QLTJ	Design Patent	n/a
90	Amazon	ToGames	AFZ9WJ3T0SA8I	B07R76RH2C	Design Patent	n/a
91	Amazon	Jiuba	AP5D1DQHK5O46	B08HST8DHP	Design Patent, Copyright	Text-1
91	Amazon	Jiuba	AP5D1DQHK5O46	B08HSTQMLM	Design Patent, Copyright	Text-1
92	Amazon	Businesscastle	AQ5N0Q7KM2FPJ	B07RR1ZRSM	Design Patent	n/a
93	Amazon	Gouerping	AQIYVQH3Q24KA	B0777BRV2C	TM-in-Title	n/a
94	Amazon	YOOMALL	ATLSYX659V3L2	B07QQNLP6G	Design Patent	n/a
95	Amazon	LinkStyle	AUTFQ43Q7FMBM	B07C3PCZKT	Design Patent	n/a
95	Amazon	LinkStyle	AUTFQ43Q7FMBM	B07C3SLFZV	Design Patent	n/a
96	Banggood	Banggood	banggood.com	n-Storage-p-1321314.html	Design Patent	n/a
96	Banggood	Banggood	banggood.com	I-5-Colors-p-1093572.html	Design Patent	n/a
96	Banggood	Banggood	banggood.com	EDC-Tool-p-1094741.html	Design Patent	n/a
96	Banggood	Banggood	banggood.com	er-Pocket-p-1823906.html	Design Patent	n/a
97	DHgate	Xinxindianzi	14252835	465299795	Design Patent	n/a
98	DHgate	Achilles_qq	16214051	405114167	Design Patent	n/a
99	DHgate	yicstore	19871494	420940983	Design Patent	n/a
100	DHgate	Pubao	20058596	491668925	Design Patent	n/a
101	DHgate	Melodyqueen6	20220158	413784426	Design Patent, Copyright	Keysmart-8
102	DHgate	liangjingjing_socks	20230537	413045627	Design Patent	n/a
103	DHgate	yaritsi	20247133	487395437	Design Patent	n/a
104	DHgate	williem	20248937	610423257	Design Patent, Copyright	Keysmart-1,Text-1
105	DHgate	Knite07	20324179	487392192	Design Patent	n/a
106	DHgate	B2b_life	20329459	413045643	Design Patent	n/a
107	DHgate	Teblue	20625951	403495975	Design Patent	n/a
108	DHgate	zcqiqi1984	20930787	417357035	Design Patent	n/a
109	DHgate	Amychen668	20956890	436658604	Design Patent	n/a
110	DHgate	Sport_no1	21014011	461152296	Design Patent	n/a
111	DHgate	Miniputao	21050117	487394461	Design Patent	n/a
112	DHgate	swagie	21114953	428073740	Design Patent	n/a
113	DHgate	hengli_suzie	21124615	507289835	Design Patent	n/a
114	DHgate	Hengli_mumu	21174687	471673032	Design Patent	n/a
115	DHgate	unicorns_china	21183698	436687710	Design Patent	n/a
116	DHgate	cfigs	21198953	473336719	Design Patent, Copyright	Keysmart-9
117	DHgate	Verynicestore999	21210631	462225387	TM-in-Title, Design Patent	n/a
117	DHgate	Verynicestore999	21210631	462222592	TM-in-Title, Design Patent	n/a
117	DHgate	Verynicestore999	21210631	462220931	TM-in-Title, Design Patent	n/a
118	DHgate	verynicestore666	21210633	462225419	TM-in-Title, Design Patent	n/a
119	DHgate	gl8888	21333800	528594660	TM-in-Title, Design Patent, Copyright	Keysmart-8
120	DHgate	huafei09	21346214	510281035	TM-in-Image, TM-in-Title	n/a
121	DHgate	Ys_shoe	21367715	507368867	Design Patent	n/a
122	DHgate	ys_bag	21384517	520012535	Design Patent, Copyright	Keysmart-1,Keysmart-4
123	DHgate	automove	21531858	628734143	Design Patent	n/a
124	DHgate	tom_flowhome	21563499	567103833	Design Patent, Copyright	Keysmart-1,Text-1
125	DHgate	vewturley	21628312	635439018	Design Patent, Copyright	Keysmart-1,Text-1
126	DHgate	qihaogyuan	21634709	652276051	Design Patent, Copyright	Keysmart-1,Text-1
127	DHgate	warmergate	21636378	649791828	Design Patent	n/a
128	eBay	2013bestbuybest	2013bestbuybest	283960733280	Design Patent	n/a
129	eBay	actplus	actplus	133270699169	Design Patent, Copyright	Keysmart-9

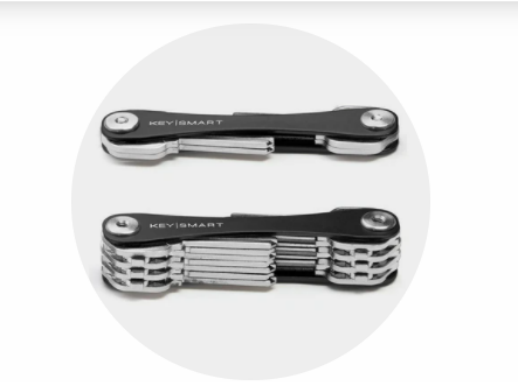
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130	eBay	aeolianisland	aeolianisland	222205939300	TM-in-Title, Design Patent	n/a
131	eBay	ailianhy1188	ailianhy1188	184080283953	Design Patent, Copyright	Keysmart-9
132	eBay	allmy-40	allmy-40	383929742329	Design Patent	n/a
132	eBay	allmy-40	allmy-40	383901174921	Design Patent	n/a
132	eBay	allmy-40	allmy-40	383920260876	Design Patent	n/a
132	eBay	allmy-40	allmy-40	383846331077	Design Patent	n/a
133	eBay	angelakaka	angelakaka	18422491	TM-in-Title, Design Patent	n/a
134	eBay	b-waves	b-waves	233776807823	Design Patent	n/a
135	eBay	beatsoutlet	beatsoutlet	114205408373	Design Patent	n/a
136	eBay	best-wishing	best-wishing	393069623519	Design Patent	n/a
137	eBay	bestproducts4you	bestproducts4you	223806058956	TM-in-Image, TM-in-Title	n/a
138	eBay	brighttech	brighttech	323973310798	Design Patent, Copyright	Keysmart-1,Text-1
139	eBay	cactus-b	cactus-b	124384080053	Design Patent	n/a
140	eBay	catchyourdeal	catchyourdeal	124440738402	Design Patent	n/a
141	eBay	colortop9	colortop9	303803051760	Design Patent	n/a
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141	eBay	colortop9	colortop9	303820809657	Design Patent	n/a
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141	eBay	colortop9	colortop9	303796720350	Design Patent	n/a
141	eBay	colortop9	colortop9	293922221364	Design Patent	n/a
141	eBay	colortop9	colortop9	293716984246	Design Patent	n/a
142	eBay	cornerstore365	cornerstore365	352809473862	Design Patent, Copyright	Keysmart-1,Keysmart-4
143	eBay	d-logy_informatic_solutions_2014	d-logy_informatic_soluti	123660514044	Design Patent, Copyright	Keysmart-1,Keysmart-4
143	eBay	d-logy_informatic_solutions_2014	d-logy_informatic_soluti	123655881511	Design Patent, Copyright	Keysmart-1,Keysmart-4
144	eBay	dipper-megrez	dipper-megrez	313341638186	Design Patent	n/a
145	eBay	dutonyw	dutonyw	293677358475	Design Patent	n/a
145	eBay	dutonyw	dutonyw	293684410324	Design Patent	n/a
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146	eBay	endingcolor	endingcolor	373143622631	Design Patent, Copyright	Keysmart-8
147	eBay	fashionstyle6	fashionstyle6	284148720045	Design Patent	n/a
148	eBay	fat-mango	fat-mango	303795134381	Design Patent	n/a
149	eBay	fhew47	fhew47	392524534776	TM-in-Title, Design Patent, Copyright	Text-1,Keysmart-1
150	eBay	fiee-ki	fiee-ki	353370053789	Design Patent	n/a
151	eBay	fiwnf-89	fiwnf-89	392831501089	Design Patent	n/a
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154	eBay	gp_eshop	gp_eshop	303217435146	TM-in-Image, TM-in-Title	n/a
154	eBay	gp_eshop	gp_eshop	303247659029	TM-in-Image, TM-in-Title	n/a
155	eBay	hsskbdfn_0	hsskbdfn_0	174664873662	Design Patent	n/a
156	eBay	hughuiy	hughuiy	333777405109	Design Patent, Copyright	Keysmart-8
157	eBay	i-diskhouse	i-diskhouse	224322254374	TM-in-Image	n/a
158	eBay	iklq_55	iklq_55	123883311365	Design Patent	n/a
159	eBay	ilinkme	ilinkme	362814978187	Design Patent, Copyright	Keysmart-9
159	eBay	ilinkme	ilinkme	362814978155	Design Patent, Copyright	Keysmart-9
160	eBay	izolke	izolke	224367763519	TM-in-Title	n/a
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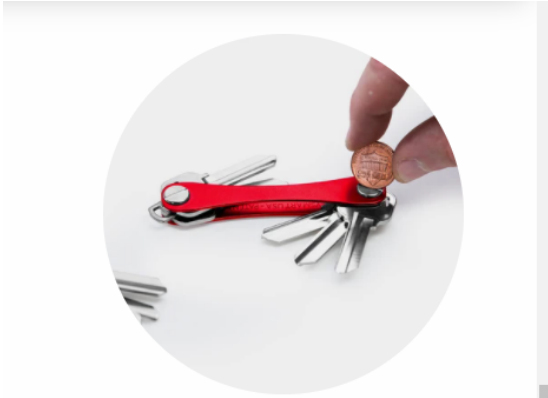
Doe #	Marketpl. Short	Seller Name	Seller ID	Product ID	IP Infringement	Copyright Used File Names [1]
161	eBay	jasleny	jasleny	383878450151	Design Patent	n/a
162	eBay	jewelry-base	jewelry-base	264298650315	Design Patent	n/a
163	eBay	junnyshop8988	junnyshop8988	182093733367	Design Patent	n/a
164	eBay	keeper-27	keeper-27	233882361942	Design Patent	n/a
165	eBay	ktspeedstore99	ktspeedstore99	193821235271	Design Patent, Copyright	Keysmart-1,Text-1
166	eBay	lantunjiaoyu	lantunjiaoyu	313402755679	Design Patent	n/a
166	eBay	lantunjiaoyu	lantunjiaoyu	313418080380	Design Patent	n/a
167	eBay	lideer87	lideer87	184679074409	Design Patent	n/a
168	eBay	life-show1618	life-show1618	222861566814	Design Patent	n/a
169	eBay	lixunte	lixunte	113970869479	Design Patent, Copyright	Keysmart-9
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171	eBay	loveruiming-4	loveruiming-4	373467831076	Design Patent	n/a
172	eBay	lucky_everyday	lucky_everyday	133453547110	Design Patent	n/a
173	eBay	lz_dealsupply	lz_dealsupply	223539249970	TM-in-Title, Design Patent	n/a
174	eBay	maryord-14	maryord-14	402647896533	Design Patent	n/a
175	eBay	modernshop12	modernshop12	143829642086	TM-in-Title	n/a
176	eBay	moneygather_fr	moneygather_fr	202819869673	Design Patent, Copyright	Keysmart-8
177	eBay	mountioncol50	mountioncol50	393119758632	Design Patent	n/a
178	eBay	mpower_4	mpower_4	402701942981	TM-in-Title, Design Patent	n/a
179	eBay	nortonchoice	nortonchoice	265097187702	Design Patent	n/a
180	eBay	nvxgel1	nvxgel1	203306009308	Design Patent	n/a
181	eBay	onetyfly-4	onetyfly-4	193905727529	Design Patent	n/a
182	eBay	patapom	patapom	153726551898	Design Patent, Copyright	Keysmart-9
183	eBay	premiumquality4you	premiumquality4you	173819060334	TM-in-Title	n/a
184	eBay	pricekiller_2k	pricekiller_2k	352850474378	Design Patent, Copyright	Keysmart-8
185	eBay	quanyu-25	quanyu-25	233789462874	Design Patent	n/a
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187	eBay	rasika-5	rasika-5	294074596875	Design Patent	n/a
188	eBay	saibuy.ltd	saibuy.ltd	332236165864	Design Patent	n/a
189	eBay	samou8118	samou8118	143275931317	Design Patent	n/a
190	eBay	samsun16	samsun16	323622801833	Design Patent, Copyright	Keysmart-8
191	eBay	sanmersen-c	sanmersen-c	353368602448	Design Patent, Copyright	Keysmart-8
192	eBay	seboypz	seboypz	383973854706	Design Patent	n/a
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193	eBay	shalo-3238	shalo-3238	313275041791	Design Patent	n/a
194	eBay	shehakodithuwakk0	shehakodithuwakk0	353426369369	Design Patent	n/a
195	eBay	shi4shan	shi4shan	164441060851	Design Patent	n/a
196	eBay	since977	since977	274133871909	TM-in-Description, Design Patent, Copyright	Keysmart-8,Keysmart-9
197	eBay	skyblie43	skyblie43	313448971048	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124653802347	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124650407153	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124451027622	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124587475856	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124380919528	Design Patent	n/a

Doe #	Marketpl. Short	Seller Name	Seller ID	Product ID	IP Infringement	Copyright Used File Names [1]
198	eBay	sold-eassy	sold-eassy	124550193527	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124433671787	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124442129072	Design Patent	n/a
198	eBay	sold-eassy	sold-eassy	124504287402	Design Patent	n/a
199	eBay	somethingdifferent2019	somethingdifferent2019	402730148990	TM-in-Title	n/a
200	eBay	sparksky	sparksky	283556094242	TM-in-Title, Design Patent	n/a
201	eBay	sunny-planet168	sunny-planet168	184737004673	Design Patent	n/a
201	eBay	sunny-planet168	sunny-planet168	174605264654	Design Patent	n/a
201	eBay	sunny-planet168	sunny-planet168	184725124431	Design Patent	n/a
201	eBay	sunny-planet168	sunny-planet168	203262899912	Design Patent	n/a
201	eBay	sunny-planet168	sunny-planet168	203227462031	Design Patent	n/a
202	eBay	sunny-store6	sunny-store6	233838154655	Design Patent	n/a
203	eBay	syshop18	syshop18	233223087553	TM-in-Title, Design Patent	n/a
204	eBay	taylice	taylice	383793219836	Design Patent, Copyright	Keysmart-8
205	eBay	tech4hire411	tech4hire411	264696583697	Design Patent, Copyright	Keysmart-7,Keysmart-8,Keysmart-9
206	eBay	trend.perfect.deals	trend.perfect.deals	113848712488	Design Patent, Copyright	Keysmart-1,Keysmart-4
207	eBay	tukeymele	tukeymele	193739492568	Design Patent, Copyright	Keysmart-8
208	eBay	uk_fashion_electronics	uk_fashion_electronics	132320686433	Design Patent	n/a
208	eBay	uk_fashion_electronics	uk_fashion_electronics	132320691507	Design Patent	n/a
209	eBay	warm-tech	warm-tech	284165264024	Design Patent	n/a
209	eBay	warm-tech	warm-tech	274405092192	Design Patent	n/a
209	eBay	warm-tech	warm-tech	283958027387	Design Patent	n/a
210	eBay	weisschang2011	weisschang2011	401944327116	Design Patent	n/a
211	eBay	wholesale-home	wholesale-home	382306172137	Design Patent	n/a
212	eBay	wishes50	wishes50	124587396964	Design Patent	n/a
212	eBay	wishes50	wishes50	124583132913	Design Patent	n/a
213	eBay	wonderfulbuying36588	wonderfulbuying36588	193135316922	Design Patent	n/a
213	eBay	wonderfulbuying36588	wonderfulbuying36588	193191004855	Design Patent	n/a
214	eBay	xiaonangu	xiaonangu	224112724372	Design Patent	n/a
214	eBay	xiaonangu	xiaonangu	224309021940	Design Patent	n/a
214	eBay	xiaonangu	xiaonangu	224316874347	Design Patent	n/a
214	eBay	xiaonangu	xiaonangu	224324649515	Design Patent	n/a
214	eBay	xiaonangu	xiaonangu	224330076242	Design Patent	n/a
215	eBay	yunosg1386	yunosg1386	133270699178	Design Patent, Copyright	Keysmart-9
216	Joom	Nature	15072754404232476359a35936b54d01015c4595	TM-in-Title, Design Patent	n/a	
217	Joom	Highfun	150811585284230797482cdc8b2c370101e8b143	Design Patent	n/a	
218	Joom	Shopcart	5b0762b28b2c370328c3ac1c98b451301aef54240	Design Patent	n/a	
219	Joom	Gary-J	5b67ff018b4513036a1b5a71788b2c3701160f44db	Design Patent	n/a	
220	Joom	Marvell-JiaJu	5c26e5cd6ecda803011512aef8b2c3701012ab010	Design Patent, Copyright	Keysmart-5,Keysmart-6	
221	Joom	BGNING Store	5c765a221436d40301b1ef5d01436d40101439ebd	Design Patent	n/a	
222	Joom	Bob	5dfdb3318b2c3703012b869b36b54d01013dea0a	Design Patent	n/a	
223	Joom	ARATA	5e93e49a28fc710301709cadd36b54d0101cbf2b4	Design Patent, Copyright	Keysmart-5,Keysmart-15	
224	Newegg	Fineros	Fineros	2S7-04RK-06T71	Design Patent	n/a
225	Newegg	Loreesoul	Loreesoul	2S7-04RK-06RT4	Design Patent	n/a
226	Newegg	Newbeans	Newbeans	0X6-04KT-22D98	Design Patent	n/a
226	Newegg	Newbeans	Newbeans	0X6-04KT-0VDN3	Design Patent	n/a
226	Newegg	Newbeans	Newbeans	0X6-04KT-1N3K4	Design Patent	n/a
227	Newegg	Redbey	Redbey	2S7-04RK-0A203	Design Patent	n/a
228	Newegg	Yespaer	Yespaer	2S7-04RK-06EE6	Design Patent	n/a
228	Newegg	Yespaer	Yespaer	2S7-04RK-06RA5	Design Patent	n/a

Doe #	Marketpl. Short	Seller Name	Seller ID	Product ID	IP Infringement	Copyright Used File Names [1]
229	Walmart	Save money	101001360	321224351	Design Patent	n/a
230	Walmart	shenzhenshimeihuidawangluokejiyouxiangongsi	101044684	299904492	Design Patent, Copyright	n/a
231	Wish	Viseen Trade	5513c97fd746300d0f8bfbcb227e2513c20f5ae2ddc		TM-in-Description	n/a
232	Wish	vianworld	5608fb647f441444c708lbac571969af245177523b		TM-in-Description, Design Patent	n/a
233	Wish	Mer-tech	5850fd0dfef4097a708a1fdad63625581708833eb6		TM-in-Description, Design Patent	n/a
234	Wish	edsabvaerbraesdvdsf	590c46843fdef34a4a74ib54fb8c9d3e10833d3412		TM-in-Title, Design Patent	n/a
235	Wish	ruhuameijuan	5a555a5d8cf0ed2a4cc58c3376d0847393a29ea9		TM-in-Description, Design Patent	n/a
236	Wish	Ottolin	5a77f6642635a742afd5e193846bdb9254d6b2e93		Design Patent, Copyright	Text-1,Keysmart-1
237	Wish	Sabinaxia	5a93cc77c798177b1ae bfcbb124bfc4840422b31c1		Design Patent, Copyright	Text-1,Keysmart-1
238	Wish	shuolebaobao	5aa606f59c15ff2a33957cba236ff9704a017d6839		Design Patent, Copyright	Keysmart-5,Keysmart-7
239	Wish	wangzhishuang	5ab0c9464f6b492e61a7a7096e8bfc1532b51ca0c		Design Patent, Copyright	Keysmart-5,Keysmart-6,Keysmart-15
240	Wish	xianxian98	5b7d2f58878a4d2a789f084ce3513cb038378657c		Design Patent, Copyright	Text-1,Keysmart-14
241	Wish	wangshunagshuang9019	5b7f73cc6ce85b1c7566e1977a7703e251f0399bd		Design Patent, Copyright	Text-1,Keysmart-14
242	Wish	SOLID VALUE	5bd0a13aa8f4bb27394d323f1e7b4de668b6ccfde		Design Patent, Copyright	Keysmart-5,Keysmart-7
243	Wish	Yinw9in1	5cf1e2022d2bb676218d915c722f3012dcadae8d4		Design Patent, Copyright	Keysmart-8
244	Wish	mikpaming	5d4a90365c6fb256f460d12045b3b060155646bf7		Design Patent, Copyright	Keysmart-5,Keysmart-6,Keysmart-15
245	Wish	slavicaseme	5d9637c9e9668120521048928c797b55bbe75de8		TM-in-Description, Design Patent	n/a
246	Wish	nuyyw	5db17599257aef18694f50944a2741284751f1387		Design Patent, Copyright	Keysmart-1,Keysmart-5,Text-1
247	Wish	estefH	5db443d420bc4b1de14:f732e1010963a07b58c97		Design Patent, Copyright	Text-1,Keysmart-5
248	Wish	mikemore	5de610add30dacc368e.5df23c935506011b8ffe3e1		Design Patent, Copyright	Keysmart-8
249	Wish	ASUNAGLOW	5de9c74904d8686c470.5e1458a3ad070509e5cd3		Design Patent, Copyright	Keysmart-8
250	Wish	MZG3977485guoshi	5f72f96e0688fa50f7bc1.5fbf1b92a17f1fd4e6a314c		TM-in-Image, Design Patent, Copyright	Keysmart-5,Keysmart-13
251	Wish	Sycs Crusk Mall	5f7fb6864c5ddc28a70d.605400854c0c178ca5255		Design Patent, Copyright	Keysmart-8

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Attach to Car Key

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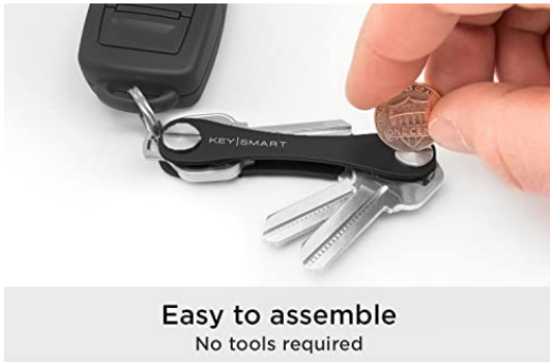
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