

Intellectual Property Rights Seizures Statistics Fiscal Year 2013

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 priorities and workload.



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Executive Summary

Products that infringe on U.S. trademarks, copyrights, and patents threaten the health and safety of American consumers, our economy, and our national security. U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement's (ICE) Homeland Security Investigations (HSI) continued Intellectual Property Rights (IPR) enforcement against these illicit imports mitigates the financial and welfare risk.

In Fiscal Year (FY) 2013 the number of IPR seizures increased nearly 7% to 24,361 from 22,848 in FY 2012. The manufacturer's suggested retail price (MSRP) of the goods had they been genuine, increased 38% to \$1,743,515,581.

Tactical interagency collaboration led by the National Intellectual Property Rights (IPR) Coordination Center led to 693 arrests, 411 indictments, and 465 convictions for IPR crimes in FY 2013. Additionally, 1,413 domain names distributing counterfeit merchandise were seized, 35 exclusion order enforcement actions were completed and 20 shipments of circumvention devices were seized.

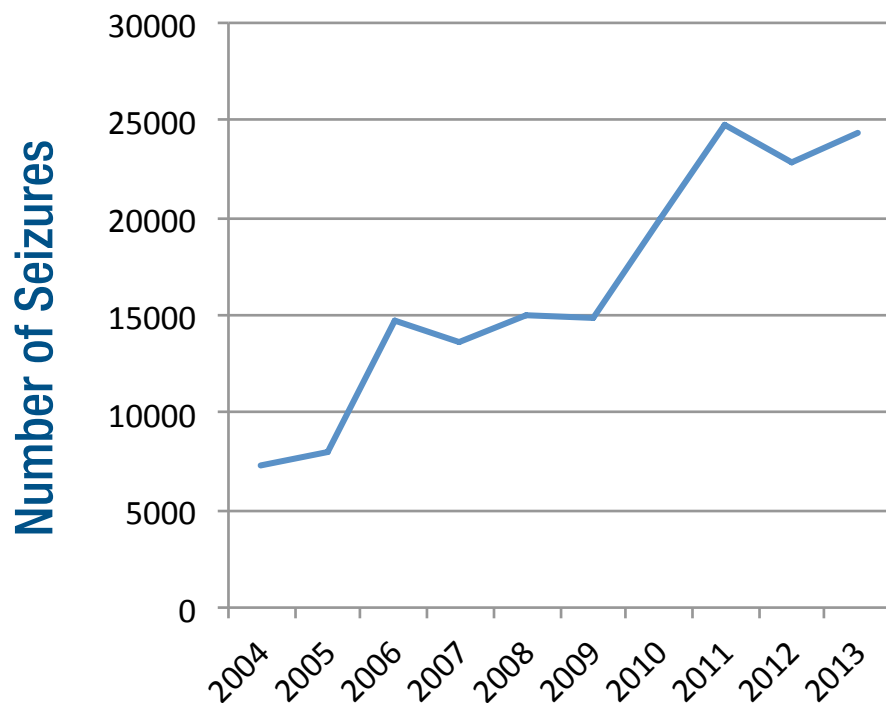
Each year, more than 11 million maritime containers arrive at our seaports. At land borders, another 10 million arrive by truck and 3 million by rail. Through air travel arrives an additional quarter billion more cargo, postal, and express consignment packages. The agencies within the Department of Homeland Security remain vigilant in targeting shipments posing a risk to the American people.



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Year in Review

10 Year Seizure Totals



- While the People's Republic of China remains the primary source economy for counterfeit and pirated goods seized by DHS, with a total value of \$1.1 billion, representing 68% of all IPR seizures by MSRP in FY 2013, DHS also made seizures from 73 additional economies during FY 2013.
- For the first year since FY 2005, footwear seizures are not one of the top 5 commodities seized.
- Overall the watches/jewelry category increased 169% and represent the second largest commodity classification by value.
- Operation Red Zone focusing on professional sport apparel and souvenirs during the Super Bowl season yielded seizures valued at \$17.3 million MSRP. Overall sports jerseys made up almost 29% of all seized counterfeit shipments.



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Year in Review

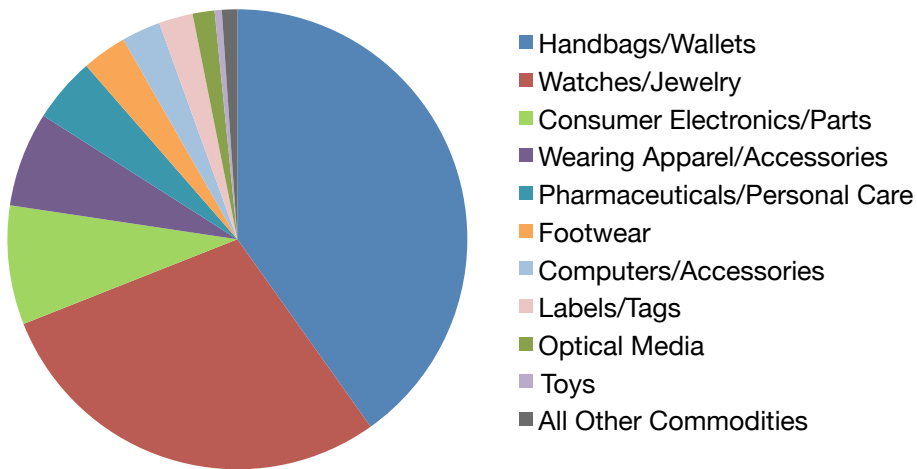
- CBP and China Customs performed the first ever joint IPR enforcement operation between the two agencies. The month-long operation resulted in 1,735 shipments being seized, removing more than 243,000 counterfeit consumer electronic products from entering commerce. Many of these counterfeit electronics lacked manufacturing standards.
- Operation Core Systems, an enforcement partnership with French Customs resulted in the seizure of 480 shipments of potentially harmful counterfeit electronic components. These faulty products not only create extra costs for businesses and individuals, but can also corrupt the computer networks of critical infrastructure systems and potentially jeopardize public safety.
- Operation Global Infrastructure focused on counterfeit critical electronic components used in information technology infrastructure systems resulting in 751 seizures valued at \$27.2 million MSRP.
- Operation Zero Tolerance focused on the express consignment environment and yielded \$43.3 million MSRP in seizure value.
- Operation Home Plate 1 and Operation Home Plate 2, two one-week operations focusing on major sports league apparel and accessories resulted in 292 seizures valued at \$2.4 million MSRP.



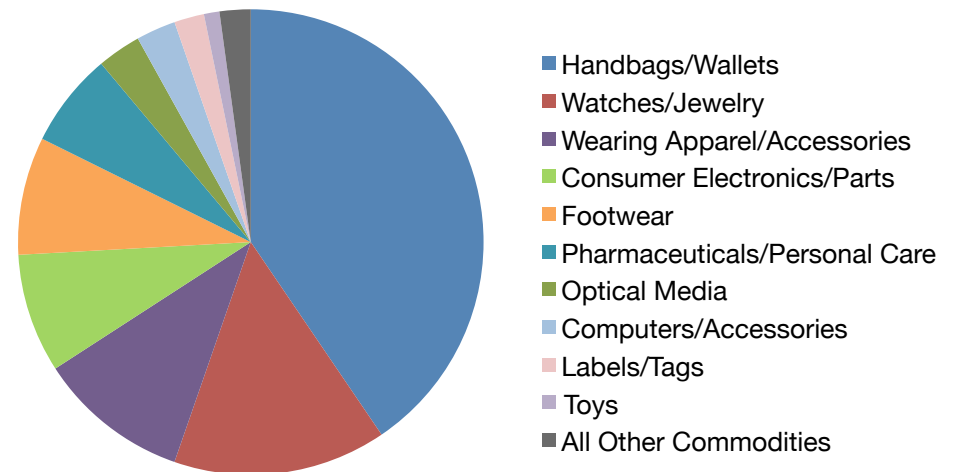
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Manufacturer's Suggested Retail Price

Fiscal Year 2013



Fiscal Year 2012



Manufacturer's Suggested Retail Price

FY 2013 Commodity	Estimated MSRP	Percent of Total*
Handbags/Wallets	\$ 700,177,456	40%
Watches/Jewelry	\$ 502,836,275	29%
Consumer Electronics/Parts	\$ 145,866,526	8%
Wearing Apparel/Accessories	\$ 116,150,041	7%
Pharmaceuticals/Personal Care	\$ 79,636,801	5%
Footwear	\$ 54,886,032	3%
Computers/Accessories	\$ 47,731,513	3%
Labels/Tags	\$ 41,768,528	2%
Optical Media	\$ 26,830,902	2%
Other	\$ 10,167,496	Less than 1%
Toys	\$ 8,794,285	Less than 1%
Automotive/Aerospace	\$ 4,139,803	Less than 1%
Sporting Goods	\$ 3,010,296	Less than 1%
Cigarettes	\$ 1,320,365	Less than 1%
Food	\$ 199,263	Less than 1%
Total FY 2013 MSRP	\$ 1,743,515,581	
Number of Seizures	24,361	

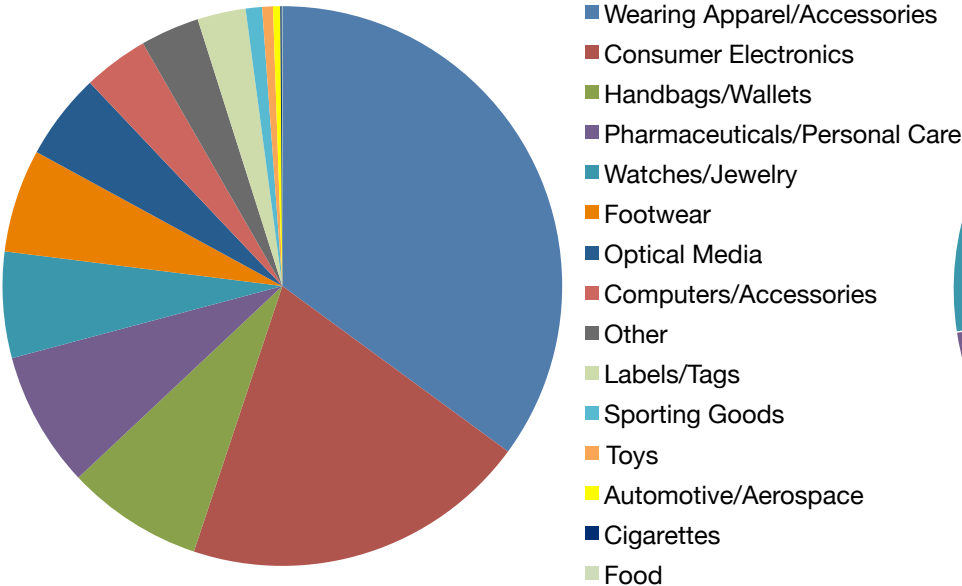
FY 2012 Commodity	Estimated MSRP	Percent of Total*
Handbags/Wallets	\$ 511,248,074	40%
Watches/Jewelry	\$ 186,990,133	15%
Wearing Apparel/Accessories	\$ 133,008,182	11%
Consumer Electronics/Parts	\$ 104,391,141	8%
Footwear	\$ 103,365,939	8%
Pharmaceuticals/Personal Care	\$ 82,997,515	7%
Optical Media	\$ 38,404,732	3%
Computers/Accessories	\$ 34,710,624	3%
Labels/Tags	\$ 26,282,098	2%
Toys	\$ 13,603,356	1%
Cigarettes	\$ 13,142,919	1%
Other	\$ 6,566,589	1%
Automotive/Aerospace	\$ 5,291,713	Less than 1%
Sporting Goods	\$ 1,446,197	Less than 1%
Food	\$ 753,266	Less than 1%
Total FY 2012 MSRP	\$ 1,262,202,478	
Number of Seizures	22,848	



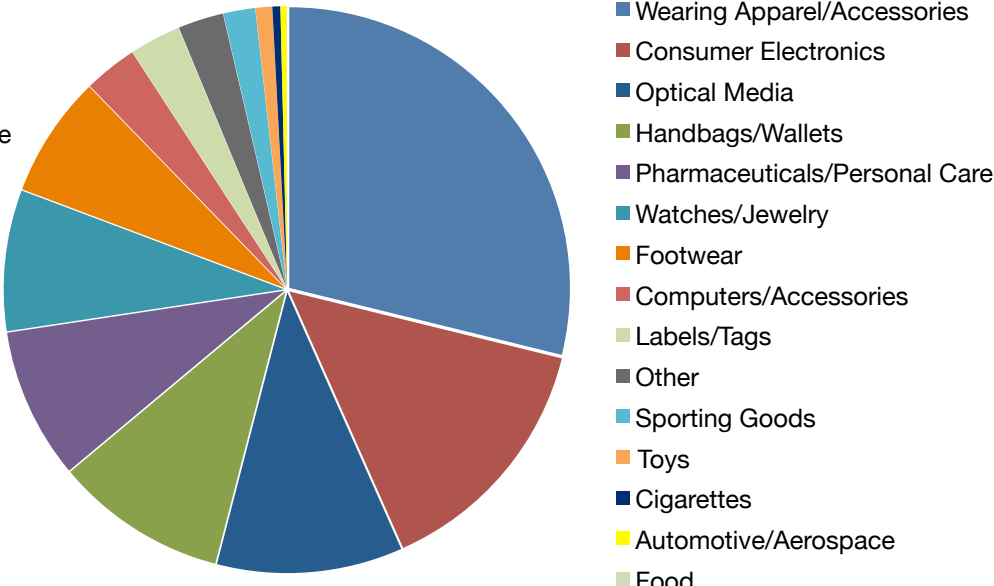
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Number of Seizures

Fiscal Year 2013



Fiscal Year 2012



Number of Seizures

FY 2013 Commodity	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	9,894	35%
Consumer Electronics	5,656	20%
Handbags/Wallets	2,223	8%
Pharmaceuticals/Personal Care	2,215	8%
Watches/Jewelry	1,729	6%
Footwear	1,683	6%
Optical Media	1,409	5%
Computers/Accessories	1,062	4%
Other	961	3%
Labels/Tags	788	3%
Sporting Goods	266	Less than 1%
Toys	175	Less than 1%
Automotive/Aerospace	118	Less than 1%
Cigarettes	24	Less than 1%
Food	9	Less than 1%

Number of Seizures

28,212*

FY 2012 Commodity	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	7,805	29%
Consumer Electronics	3,928	15%
Optical Media	2,892	11%
Handbags/Wallets	2,678	10%
Pharmaceuticals/Personal Care	2,350	9%
Watches/Jewelry	2,197	8%
Footwear	1,897	7%
Computers/Accessories	833	3%
Labels/Tags	796	3%
Other	710	3%
Sporting Goods	496	2%
Toys	259	1%
Cigarettes	124	Less than 1%
Automotive/Aerospace	96	Less than 1%
Food	6	Less than 1%

Number of Seizures

27,067*

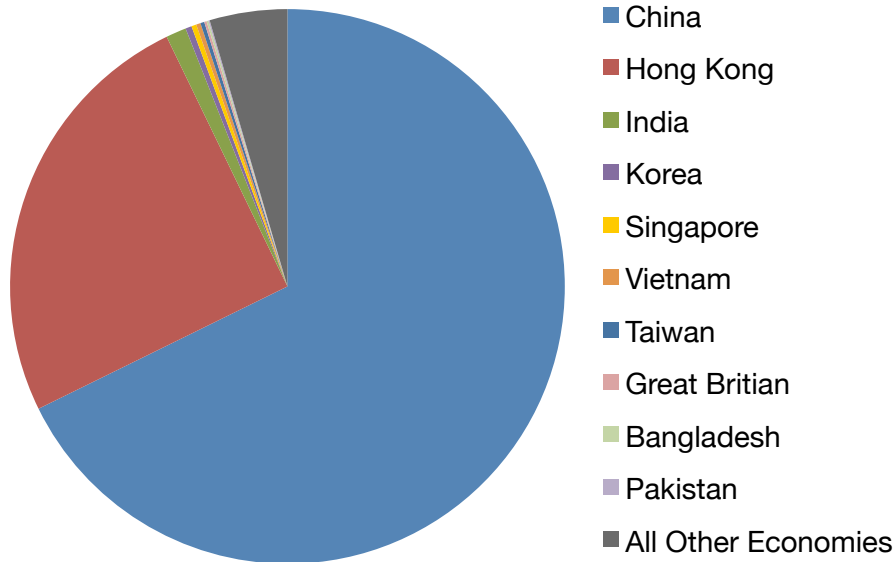
* Seizures may contain more than one commodity



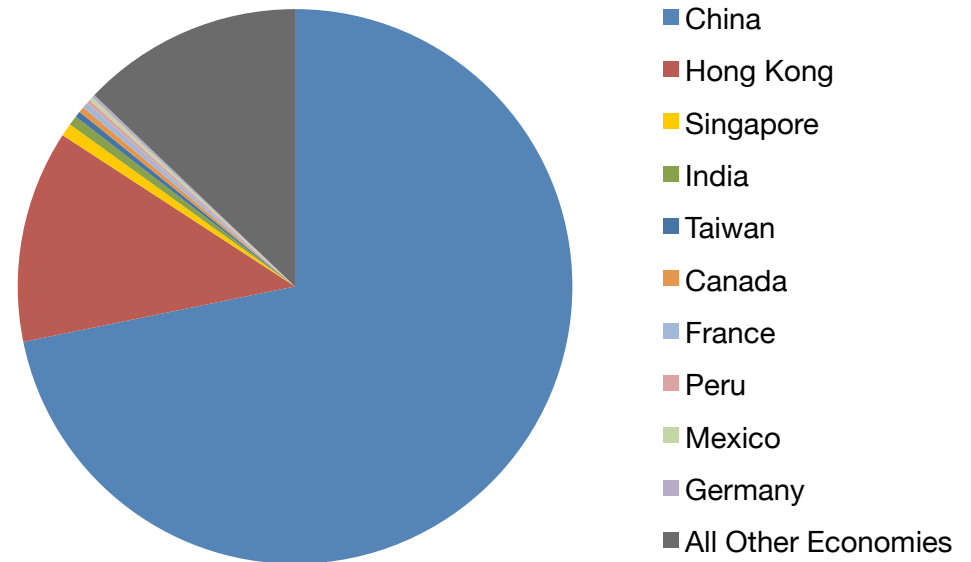
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Source Economies by Manufacturer's Suggested Retail Price

Fiscal Year 2013



Fiscal Year 2012



Source Economies by Manufacturer's Suggested Retail Price

FY 2013 Source Economy	Estimated MSRP	Percent of Total
China	\$ 1,180,919,064	68%
Hong Kong	\$ 437,538,041	25%
India	\$ 20,683,669	1%
Korea	\$ 6,308,434	Less than 1%
Singapore	\$ 5,065,398	Less than 1%
Vietnam	\$ 4,406,367	Less than 1%
Taiwan	\$ 3,975,422	Less than 1%
Great Britian	\$ 2,421,034	Less than 1%
Bangladesh	\$ 1,914,318	Less than 1%
Pakistan	\$ 1,335,728	Less than 1%
All Other Economies	\$ 78,948,105	5%
Total FY 2013 Est. MSRP	\$ 1,743,515,581	
Number of Seizures	24,361	

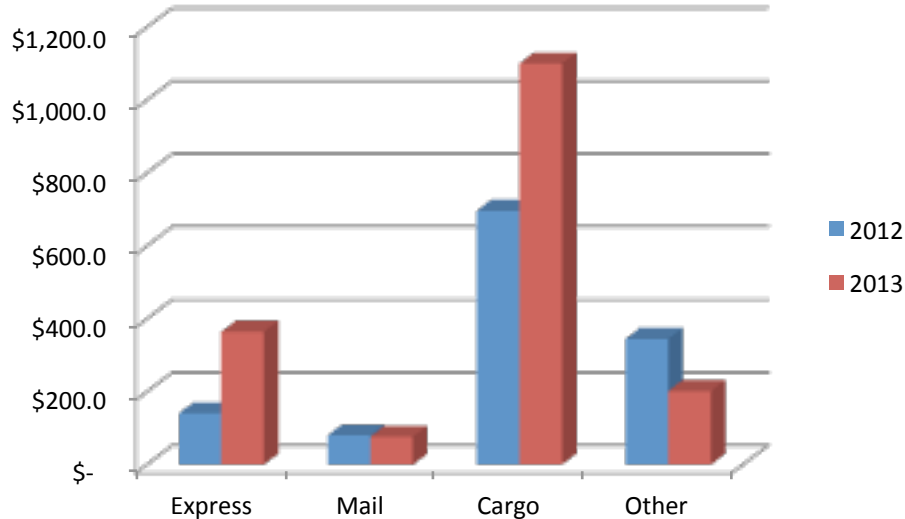
FY 2012 Source Economy	Estimated MSRP	Percent of Total
China	\$ 906,206,684	72%
Hong Kong	\$ 156,337,345	12%
Singapore	\$ 9,385,173	1%
India	\$ 7,020,939	1%
Taiwan	\$ 4,500,610	Less than 1%
Canada	\$ 4,236,359	Less than 1%
France	\$ 4,221,443	Less than 1%
Peru	\$ 2,760,392	Less than 1%
Mexico	\$ 2,673,976	Less than 1%
Germany	\$ 2,280,520	Less than 1%
All Other Economies	\$ 162,579,037	13%
Total FY 2012 Est. MSRP	\$ 1,262,202,478	
Number of Seizures	22,848	



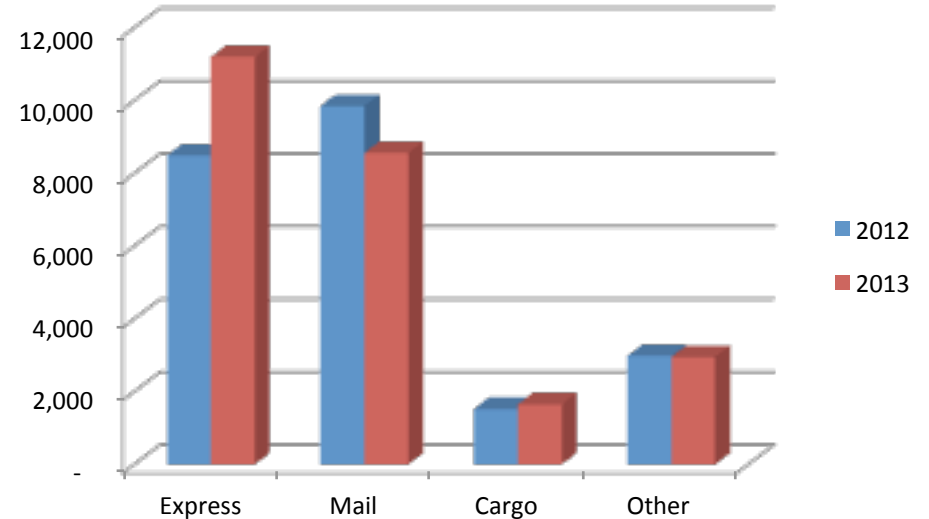
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Modes of Transportation

MRSP (in millions)



Number of Seizures



In any given year, approximately ten percent of all seizures cannot be categorized as express, mail, or cargo. The other seizures request ICE investigations, exports, passengers baggage, or other enforcement situations.



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Modes of Transportation

Manufacturer's Suggested Retail Price (in millions)

FY	Express	Mail	Cargo	Other	Total
2012	\$140.50	\$80.20	\$696.40	\$345.20	\$1,262.20
2013	\$364.60	\$76.50	\$1,100.00	\$202.40	\$1,743.50

Number of Seizures

FY	Express	Mail	Cargo	Other	Total
2012	8,490	9,852	1,526	2,980	22,848
2013	11,196	8,558	1,654	2,953	24,361



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