

CBP Trade Enforcement Bulletin



U.S. Customs and Border Protection



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Trade Outreach

CBP Participates in Columbus Trade Day 2017

On Aug. 31, 2017, CBP representatives attended the annual Foreign Trade Zone (FTZ) Seminar and Trade Day in Columbus, Ohio. The event was sponsored by Columbus Regional Airport Authority’s FTZ #138, which serves central Ohio.

Several CBP representatives participated in the trade event, including specialists from the Apparel, Footwear and Textiles Center for Excellence and Expertise (Center); Agriculture and Prepared Products Center; Pharmaceuticals, Health and Chemicals Center; as well as an agriculture specialist and a CBP officer from the Port of Columbus.

During the event, the CBP participants engaged with members of the Columbus Importers and Brokers Association and representatives from CBP’s partner government agencies, including the Food and Drug Administration, the U.S. Department of Commerce, the U.S. Department of Agriculture, and the U.S. Fish and Wildlife Service.

This year’s seminar was provided by an attorney with Lamb Lerch, who gave a presentation on the definition of a FTZ, benefits of a FTZ, the application process and savings analyses.



CBP representatives from the centers and the Port of Columbus participated in an August 31, 2017, seminar and trade day in Columbus, OH.

The trade day provided CBP, our partner government agencies, and the trade community an opportunity for open dialogue to discuss policies and procedures, address any issues, and exchange knowledge.

CBP Provides ‘Made in America’ Guidance at Trade Seminar



MADE IN USA

On Sept. 13, 2017, CBP gave a presentation on marking regulations per CFR 134 at a seminar titled “Made in America.” The seminar took place at Holden University Center, Lakeland College in Kirtland, Ohio. Other speakers included attorneys who spoke on behalf of the event’s sponsor—the Braumiller Law Group. A total of 37 participants attended the seminar representing manufacturers, exporters, importers and brokers. Additionally, the training was recorded as a webinar to reach many more interested attendees.

CBP’s presentation provided guidance on manufactured products made with imported parts and/or components and addressed any confusion concerning CBP’s rules about the Made in USA standard and country-of-origin markings on finished products. The presentation was a thorough discussion of the relevant marking procedures and regulations. CBP also covered additional topics, including a comparison of the marking regulations for other countries, such as Vietnam and Korea.

The audience’s reaction to CBP’s presentation was positive and the agency has received requests to present additional training seminars to educate the trade community.

Intellectual Property Rights

Savannah Seizes Electronics Worth \$1 Million for Counterfeit Bluetooth Markings

CBP's Office of Field Operations at the Port of Savannah, Georgia, recently seized 780 home theater systems for counterfeit Bluetooth markings.

The unauthorized home theater systems had a manufacturer's suggested retail price of \$ 1.1 million, making this the fourth multi-million-dollar seizure of counterfeit goods this year at the Port of Savannah.

"Counterfeiting is often viewed as a victimless crime," said Lisa Beth Brown, Savannah Area port director. "The theft of intellectual property and the trade in counterfeit and pirated goods threatens America's innovation-based economy, the competitiveness of the nation's businesses, the livelihoods of U.S. workers, and, in some cases, national security, and the health and safety of American consumers. Seizures like this keep those goods out of the American supply chain, protecting our economy and consumers."

Intellectual property rights is a priority trade issue for CBP. Counterfeits are often made of inferior materials, manufactured under uncontrolled and unsanitary conditions, and labeled with false information. As a result, these products can also threaten the health and safety of the people who buy them.



International Falls Seizes Multimedia Players with Counterfeit SD Trademarks

On Aug. 28, 2017, the International Falls Rail Targeting Unit in Minnesota held a shipment traveling in-bond and manifested as "Radio-Broadcast Receivers, For Mains Operation Only, Combine Spirit SD Multimedia Players" for inspection.



On August 28, the International Falls Rail Targeting Unit held a shipment of multimedia players with suspect SD trademarks.

Examination of the shipment revealed multimedia players with suspect SD trademarks on the face of the players. CBP's research of the SD trademark revealed that multimedia players and other host product claiming to include a SD card reader or to be SD compliant must meet SD-3C LLC's proprietary specifications, and be licensed by SD-3C LLC or contain a card slot that has been purchased from a licensee and then integrated into the host product.

CBP also confirmed that none of the entities associated with the shipment appear on SD-3C's listing of authorized licensees. Redacted photos were provided to SD-3C LLC representatives. The representatives confirmed that the SD trademarks on the multimedia players were indeed counterfeit.

The International Falls Rail Targeting Unit confirmed with CBP's intellectual property rights branch in Washington, D.C., that products appeared counterfeit and were subject to seizure under 19 U.S.C. 1526(e), as implemented by 19 C.F.R. 133.21. The CBP Electronics Center for Excellence and Expertise provided an appraisal of the shipment as having a domestic value of \$197,190 and a retail value of \$394,380. On September 23, 2017, the Port of International Falls seized the shipment under 19 U.S.C. 1526(e) for infringing on the SD trademark, TMK 08-00137.

Intellectual Property Rights (Continued)

International Falls Targeting Team Enforces IPR on the Rail

On June 23, 2017, a sea container from China arrived via rail at the Port of Ranier, Minnesota. The container had been targeted by the International Falls Targeting Team for verification of possible intellectual property rights, or IPR, violations. The container was examined on June 24, 2017, and found to contain toy airplanes.



In June 2017, a sea container from China arrived via rail at the Port of Ranier in Minnesota. The container had been targeted by the CBP International Falls Targeting Team for possible IPR violations.

Samples of the airplanes were taken back to the Ranier CBP office for further examination. The examination revealed toy airplanes in the sample that contained the F-117 and F-16 trademark owned by Lockheed Martin. Redacted photos were then sent to Lockheed Martin on June 26, 2017, for verification. Lockheed Martin replied, stating the marks were not authorized.

The importer was unable to supply a license for the Lockheed Martin trademark within the 30-day detention timeframe. CBP determined the shipment was counterfeit and the shipment of 36,000 toy airplanes was seized on Aug. 3, 2017, with a domestic value of \$359,640 and suggested retail price of \$575,544.

This marks the fifteenth trade enforcement action this year for the International Falls Targeting Team. With the tremendous increase in the volume of sea cargo traveling by rail through Canada to the United States, CBP, in collaboration with other government agencies, continues to protect U.S. consumers and IPR holders.



These sample toy airplanes contained unauthorized F-117 and F-16 trademarks.

CBP Officers Seize Counterfeit Barbie Dolls

During the summer of 2017, CBP officers working at the International Falls Port of Entry in Minnesota targeted a rail container destined to arrive at the Port of Ranier. CBP officers inspected the rail container and discovered merchandise that violated multiple laws and regulations.

The merchandise consisted of 3,004 fashion dolls. Examination of the merchandise revealed piratical copies of Mattel's CEO Barbie. As a result, CBP seized those items. The violative merchandise had an aggregate manufacturer's suggested retail price of \$85,824.

"CBP continues to play a key role in Intellectual Property Rights enforcement," said Anthony Jackson, International Falls Port Director. "CBP continues to stay focused on combating the illegitimate trade in counterfeit products."

Stopping the flow of illicit goods is a priority trade issue for CBP. The importation of counterfeit merchandise can damage the U.S. economy and threaten the health and safety of the American people.

With the growth of foreign trade, unscrupulous companies have profited billions of dollars from the sale of counterfeit and pirated goods. To combat the illicit trade of merchandise violating laws relating to intellectual property rights, trademark and copyright holders may record with CBP through an online system (<https://iprr.cbp.gov/>). Such recordation assists CBP officers and import specialists in identifying merchandise that violate U.S. law.

CBP's IPR enforcement strategy is multi-layered and includes seizing illegal merchandise at our borders, pushing the border "outward" through audits of suspect importers, cooperating with our international trading partners, and collaborating with industry and governmental agencies to enhance these efforts.



CBP officers at the International Falls Port of Entry in Minnesota recently seized a shipment of counterfeit Barbie dolls.

Import Safety

CBP Intercepts Shipment of Prohibited Mexican Bologna

CBP officers and agriculture specialists working at the El Paso Port of Entry seized 23 rolls of Mexican bologna. The weight of the contraband meat was 227 pounds. The bologna is a prohibited product because it is made from pork and has the potential for introducing foreign animal diseases to the U.S. pork industry.

The seizure was made on Nov. 29, 2017, at the Paso Del Norte international crossing. CBP officers were performing an enforcement operation in the line of vehicles waiting to enter the United States and received a negative declaration for any fruits, vegetables, meat, meat products alcohol or tobacco from the female driver of a car in the queue. The driver again made a negative declaration for any agriculture products at the primary inspection station; however, during a secondary exam, the driver amended her declaration and told CBP agriculture specialists she had “salchicha” in the car. CBP agriculture specialists located the contraband meat under the floor mats of the car. The product was seized and destroyed and the driver was assessed a \$1,000 civil penalty.

“CBP is entrusted with enforcing hundreds of laws for dozens other government agencies, such as the U.S. Department of Agriculture, U.S. Fish and Wildlife Service, and others,” said CBP El Paso Port Director Beverly Good. “These agencies require that unsafe items are not allowed to enter the United States. CBP officers are always on duty at our ports of entry and assume the responsibility of protecting America from all threats.”



CBP officers seized 23 rolls of Mexican bologna.

Revenue

Breaking the Glass Noodles Ceiling

During the summer of 2017, CBP Agriculture and Prepared Products Center of Excellence and Expertise import specialists researched importations of a number of products covered by the Center that are imported under a free rate of duty. CBP import specialists, based on experience, knowledge and training know that many unscrupulous importers look to evade duty by trying to find classifications that might closely align to their products’ true classifications but offer a free rate of duty. These importers are hoping that their schemes go undiscovered and they can evade paying the proper duty they owe the federal government.



Bean thread noodles are also known as glass noodles.

The research by the Center’s import specialists led them to review shipments of “glass noodles” for the importers Good Choice Trading and Victoria Pacific Trading. Glass noodles, also known as bean thread noodles, crystal noodles, and/or Chinese vermicelli are made from mung bean starch and water or from ground mung beans and

mung bean flours and are used in many Asian cuisine recipes.

After acquiring samples of the products and reviewing documents, the import specialists determined that the glass noodles, instead of being classified as 1902.19.2090/Free, should be classified at the higher rate at 1901.90.9195/6.4%. The teams have so far recovered well over \$30,000 just from two importers on approximately 15-20 entry summaries. The Center’s teams are now focusing on other importers with similar import patterns and the potential for a national operation to review this market is definitely under consideration.



Import specialists determined these glass noodles should be classified at a higher rate.