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Client Alert

Senators Propose Bill to Strengthen Anti-Counterfeiting Toolkit with Design Patents

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Yesterday, four senators introduced a bill that would add an important tool to the design patent enforcement toolbox, making it easier and less expensive to enforce design patents at the U.S. border. Senators Tillis, Coons, Cassidy, and Hirono introduced the “Counterfeit Goods Seizure Act of 2019,” which would allow Customs and Border Patrol (“CBP”) to directly seize goods based on design patent infringement, instead of first obtaining an International Trade Commission exclusion order. This protection effectively expands the direct seizure authority of CBP to include design patents, in addition to its current authority to seize goods that violate trademarks and copyrights. It is aimed squarely at counterfeiters seeking an end run around customs by exploiting loopholes in trademark and copyright law. For example, as co-sponsor of the bill Senator Hirono explained “While Customs and Border Protection has the authority to seize products that infringe copyrights and trademarks at the border, it lacks this same authority for products that infringe a design patent. Counterfeiters exploit this loophole by importing counterfeit products separately from labels containing an infringing trademark, only attaching the label once the counterfeit product has cleared customs. The Counterfeit Goods Seizure Act of 2019 closes this loophole...”

One major benefit of this proposed legislation is that it could significantly lower costs for design patent enforcement at CBP. Currently, the primary method for enforcement of design patents at CBP is seeking an exclusion order from the International Trade Commission (“ITC”). Investigations at the ITC can be quite effective, but they are often expensive. The power of ITC exclusion orders can also be impacted when the identity of the patent infringers is unknown, as is often the case for counterfeiters, or when the counterfeit goods are part of a fast-changing industry where products have a short market lifespan before the next product line is launched. This is likely why the proposed bill has found significant support with major brands. For example, 3M, Nike, and Columbia Sportswear Company have each praised the bill. And major IP associations, such as the Intellectual Property Owners Association (IPO) and the American Intellectual Property Law Association (AIPLA), have also lent their support. As of this moment, there have not been any outspoken opponents of the bill.

We are actively monitoring this important bill’s progress, and will provide updates of any major developments.

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