

# A Proposal to Update Customs' Trademark Seizure Process to Prevent Misuse

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The U.S. Customs and Border Protection (CBP), part of the Department of Homeland Security, has the power to seize goods believed to infringe registered trademarks under the Tariff Act of 1930 and the Lanham Act of 1946.<sup>1</sup> These powers are rooted in the U.S. Constitution, which makes clear that Congress has the power “[t]o regulate Commerce with foreign Nations,” including the importation of goods from abroad.<sup>2</sup> The need that ostensibly justifies CBP exercising such power to enforce a private entity’s intellectual property is the specter of danger from allegedly infringing goods<sup>3</sup> to American lives, the American economy, and the reputations of American businesses.<sup>4</sup> Even if some allegedly infringing articles were to pose such dangers, the procedures for disputing CBP seizures do not provide adequate protections for importers accused of trademark infringement. For example, under the current process, an importer has no ability to challenge seizures except in the context of a forfeiture action initiated by the U.S. Department of Justice (DOJ) after referral from CBP, the government has five years to initiate those forfeiture proceedings,<sup>5</sup> and CBP contends that if the DOJ refuses to initiate forfeiture proceedings, it nevertheless can exclude those goods from entering the U.S.<sup>6</sup> Should that happen, the importer’s only recourse is to file a claim in the Court of International Trade.<sup>7</sup> During this time, CBP can impose costs and fines on the importer and make further seizures. Surprisingly, gun runners and drug dealers that have had their property seized have far greater protections under the Civil Asset Forfeiture Reform Act of 2000 (CAFRA) than importers accused of trademark infringement.<sup>8</sup>

This article addresses the process by which CBP may seize or otherwise prevent goods from entering the U.S. based on an alleged violation of trademark law (the seizure process), explains why that process favors trademark owners in a way that is harmful to fair competition, and offers a solution as to how the process could be recalibrated to better balance the need for border enforcement with fair competition and access to justice.

## Detention and Seizure

To have CBP seize allegedly infringing goods at the border, the owner of a federally registered trademark must record that trademark with CBP.<sup>9</sup> The recorded mark is either a registered word mark or logo or an image of registered trade dress. Typically, owners of recorded trademarks attempt to educate CBP officers on their recorded marks, the goods associated therewith, and those third parties the rights holders deem to be likely infringers.<sup>10</sup> However, such education can fall short given that CBP officers are not trained trademark professionals.

Armed with the image of a recorded trademark and an incomplete understanding of trademarks, CBP field agents are tasked with visually detecting and identifying infringing goods. Intellectual property scholars are familiar with the highly factual test for trademark infringement—whether there would be a “likelihood of confusion” among consumers as to the source, sponsorship, or approval of a good.<sup>11</sup> However, CBP agents do not have access to any facts or circumstances beyond their interaction with the trademark owner and the goods being imported. Again, the infringement determination is based wholly on a visual comparison of the good to the recorded trademark and necessarily cannot consider or weigh the full likelihood of confusion factors. Nor do the CBP field agents consider any of the myriad of affirmative defenses available in a case involving trademark infringement.

Based on this visual comparison, CBP decides whether to detain goods as suspected infringements.<sup>12</sup> A simple visual comparison may make sense when the mark at issue is a famous mark consisting of a simple word or phrase (e.g., does the word Toyota look like the word Toyota?). But a visual comparison is insufficient in many circumstances, especially when the recorded mark is a trade dress. Indeed, even federal courts have struggled with a consistent application of trade dress infringement fact patterns, from what specifically a trade dress includes to whether the trade dress or any part of it is functional to whether the accused trade dress is confusingly similar. CBP field agents can hardly do better.

If the goods are detained, CBP informs the importer and the trademark owner of the detention and seeks the trademark owner's opinion on whether the goods are infringing and should be seized.<sup>13</sup> But when CBP asks, "Do your competitor's goods, which have already been detained and prevented from being imported, constitute counterfeits or infringements of your trademark?" it is no surprise the trademark owner would respond in the affirmative. The ease of affirmance by a mark owner, and the weight given to the opinion of the mark owner, combined with a lack of any true likelihood of confusion analysis and negligible consequences for a mark owner found to be wrong, make it unlikely for a trademark owner to disturb the government's taxpayer-funded litigation of their trademark rights.

CBP's rationale for asking the trademark owner to confirm whether the goods are infringing appears to be a relic of the past. The case law CBP cites most often for this aspect of the seizure process involved Underwriters Laboratories' (UL's) UL certification mark.<sup>14</sup> UL maintains a list of authorized users of the mark, so CBP's reliance on UL's statements to determine if an importer is authorized to use the UL certification mark makes sense. But CBP's continued reliance on this case law in other circumstances, most troublingly when trade dress on a product configuration is infringed, is much less reasonable.

If the trademark owner confirms it considers the goods counterfeit, CBP will seize the goods.<sup>15</sup> From that point on, the trademark owner need not take any affirmative action against the importer. CBP will forfeit the goods and, potentially, fine the importer.<sup>16</sup> There is no financial disincentive for a trademark owner to take this course of action. To be clear, CBP uses taxpayer funds to litigate such disputes on behalf of private trademark owners. Of course, many mark owners justify this approach by asserting that the government is not enforcing their intellectual property for them but protecting the public from harm.<sup>17</sup> But it cannot be denied that private mark owners are enforcing their trademarks at taxpayer expense.

After seizure, the importer ostensibly has four options:

- 1 Do nothing or abandon the goods.** After seizure, goods are automatically slated to be forfeited 30 days after the importer has been notified of the seizure.<sup>18</sup> If an importer does nothing or abandons the goods, the seized goods will be forfeited. If a seizure implicates the core business of an importer, or if much of an importer's property is seized, abandoning the goods is not really an option.
- 2 Make an offer in compromise.** While technically possible, offers in compromise are typically not considered by CBP in the context of allegedly infringing goods.<sup>19</sup>
- 3 File an administrative petition.** An importer can file an administrative petition with the port where the goods were seized, arguing why the seized property should be released.<sup>20</sup> But courts routinely consider administrative petitions as a concession of liability and an attempt to negotiate a reduced penalty or executive pardon.<sup>21</sup> Combined with no clear statutory deadlines forcing CBP to timely address an administrative petition, and court reluctance to review the merits of a petition denial, this process offers poor protection.
- 4 File a claim and bond.** A claim is submitted by an importer along with a cash bond for the property.<sup>22</sup> These filings should trigger the filing of a judicial forfeiture court action by the government, or release of the seized goods. However, as described below, the filing of a claim does not ensure speedy disposition, and despite likely being the best option for an importer to contest the merits of a dispute, it still presents difficulties for importers.

## Forfeiture

After a claim is submitted by an importer, the claim and the case file must be referred by CBP to the appropriate U.S. attorney in the DOJ.<sup>23</sup> Then, the DOJ must decide whether to file a court action to seek forfeiture of the goods or release them. By statute, these two steps must be taken "immediately," "expeditiously," and/or "without delay."<sup>24</sup> However, there are no specific statutory deadlines for these actions. And, the government routinely contends that it is acting "expeditiously" and "without delay" so long as it acts within the five-year statute of limitations in which to pursue a forfeiture following a seizure.<sup>25</sup>

Theoretically, due process protections protect importers from the government delaying a claim for judicial forfeiture.<sup>26</sup> And, should an importer believe that the government is taking too long to file judicial forfeiture actions, the importer can file a motion to compel the rapid filing of forfeiture actions. However, the practical implication of forcing an importer to file an equitable court action merely to compel the filing of required court actions by the government further balloons expenses for importers, and, if the claimant is successful, they have merely succeeded in being involved in a continuing litigation.

Once initiated, a judicial forfeiture court action is like a federal court action, with the government taking the plaintiff's role in prosecuting the goods for infringement and the importer able to present arguments and evidence in defense. Additionally, both sides may take discovery. Significantly, however,

the burden of proof for the government is exceedingly low—the government need only establish that it had “probable cause” to believe the goods are counterfeit.<sup>27</sup> CBP’s seizure process invariably relies on the broad UL case law suggesting that probable cause that goods are counterfeit may be established by the government if the trademark owner identifies the goods to CBP as counterfeit.<sup>28</sup>

Once the government has established probable cause, the burden of proof shifts to the claimant of the goods to establish that the goods *are not* counterfeit. This inverts the typical burden of proof for a trademark infringement action, in which the trademark owner must establish that a mark is being infringed.<sup>29</sup>

One positive for a claimant whose goods have been seized is the potential to recover attorney fees for a failed judicial forfeiture action by the government.<sup>30</sup> But, attorney fees are only awarded upon the “entry of a judgment for the claimant” in a judicial forfeiture action.<sup>31</sup> This rarely occurs.<sup>32</sup>

## Related Issues

While seizure and forfeiture are often the main issues that an importer faces through the seizure process, there are related issues that can create complications for an importer during the pendency of a judicial forfeiture action. During the time it takes to get a resolution, CBP can impose storage fees, penalties, exclusion from importation, and punitive enhanced entry bonds.

The seizure and forfeiture laws provide CBP the ability to leverage civil penalties on importers that have their goods seized as infringing under 19 U.S.C. § 1526(e).<sup>33</sup> In the case of serial seizures, the imposition of these penalties can quickly become crippling. The collection of penalties seemingly has no relation to the outcome of a forfeiture proceeding; the imposition of penalties under 19 U.S.C. § 1526(f) is only tied to seizure of the goods.<sup>34</sup>

Beyond seizure, CBP also has the ability to “exclude” said goods from importation into the U.S.<sup>35</sup> If it does so without seizure, or by canceling a previous seizure and entering an exclusion order, an importer’s claim could be null and there would be no judicial forfeiture action. An importer would have the ability to protest CBP’s exclusions and underlying factual determinations.<sup>36</sup> If CBP denies the protest, the importer may then file an action against the U.S. in the Court of International Trade to review the protest denial on a record established before the court instead of based on the administrative record.<sup>37</sup>

Finally, during the pendency of a resolution of the merits of an allegation of counterfeiting, CBP has many discretionary actions that it also can take against an importer. For example, CBP port officials can set the value of the bond that an importer must pay.<sup>38</sup> If such a bond is set too high, this could potentially put an importer out of business.

In sum, the seizure process is designed to be efficient for CBP and for trademark owners to use as a tool against alleged counterfeiters, to replace litigation efforts in enforcing trademark rights, and to shift the expense of trademark enforcement from trademark owners to the government and accused infringers. Unfortunately, the seizure process can come at the cost of due process rights and other protections baked into U.S. litigation for entities accused of infringement. Because most alleged counterfeiters would prefer to pack up shop instead of fighting counterfeiting allegations, this system provides trademark owners a simple and powerful weapon. But, for legitimate importers attempting to establish that their goods are lawful, it is a long and costly process to endure.

## The Purposes of the Lanham Act

The core purposes of the Lanham Act are to protect consumers from confusion and to protect a company’s investment in its source-identifying marks.<sup>39</sup> The purpose of the Lanham Act is not to insulate companies from fair competition.<sup>40</sup> But the seizure process can be used to unbalance these goals in favor of private mark owners.

Trademark infringement is a fact-intensive, nuanced issue subject to numerous elements of proof and various affirmative defenses so as to maintain a balance between fair trade and protection of companies’ investments in their brands.<sup>41</sup> This complex inquiry requires more than the opinion of trademark owners that contend goods are infringing. The weaknesses and potential for abuse of the seizure process become readily apparent when the system is brought to bear against a legitimate importer. For example, CBP (1) does not evaluate defenses to trademark infringement when choosing whether to seize goods; (2) requires a forfeiture action, which can only be initiated by the DOJ after a referral from CBP; (3) faces no specific deadlines to fulfill its obligation to “promptly” refer seizures to the DOJ, and the DOJ likewise faces no hard deadlines to fulfill its obligation to bring forfeiture actions; (4) may delay while imposing extensive fees and penalties to disrupt an importer’s business; (5) can release, but still exclude goods when the DOJ refuses to bring a forfeiture action; and (6) shifts the burden of proof to importers to prove that their goods do not infringe.

## A Balanced Solution

The goal of preventing importation of actual counterfeit products serves the Lanham Act's core purposes. The problem with the current system is that it does not provide adequate protections or a timely, fair process for importers to establish that their goods are lawful and may be subject to abuse by trademark owners acting in bad faith. There are four changes to the current seizure process that, if made, should rebalance the scales to favor fair competition without sacrificing the goal of preventing the entry of counterfeits. These changes can be made without negatively impacting CBP's abilities, as the proposed changes only impact those seizures where an importer files a claim, which rarely happens and almost never happens when true counterfeits are in play.<sup>42</sup>

First, there should be set timing for contested matters to be heard in an adjudicative forum. The current seizure process gives the government a five-year deadline to refer a challenged seizure to the DOJ to initiate a forfeiture action. Five years is too long. An earlier, specific deadline would alleviate this problem, and since in the case of true counterfeits the vast majority of seizures are not challenged, imposing such a requirement will have little impact on CBP's screening efforts. Notably, no other country permits such a drawn out process. For example, in Australia, importers must respond to a seizure notification within 10 working days with a request for release; otherwise, the goods will be forfeited.<sup>43</sup> Once the importer has submitted such a request, the trademark owner is notified and must itself commence action within 10 working days against the importer (not the Australian government).<sup>44</sup> In Canada, within three business days of notice of detainment, the trademark owner must notify customs that it will be taking action against the importer; otherwise, the goods will be released.<sup>45</sup> And, if the trademark owner fails to initiate an action within 10 working days of notice, customs will release the goods back to the importer.<sup>46</sup> Lastly, the European Union requires a trademark owner to submit a written declaration confirming infringement within 10 business days of notice of detainment.<sup>47</sup> The trademark owner must also initiate a legal action within 10 business days of the importer's opposition to the detention.<sup>48</sup> Thus, an initial fix to the seizure process is to impose express deadlines, such as those under CAFRA,<sup>49</sup> on CBP and the DOJ. Adding specific deadlines for the institution of court actions would facilitate legitimate importers to timely and efficiently contest the merits of counterfeit and infringement allegations at the border.

Second, the seizure process should require financial involvement from the trademark owner. Currently, the trademark owner is not and need not be a party to the administrative process, nor must it be a party to the lawsuit, meaning that it does not need to expend money to participate.<sup>50</sup> In contrast, the government pays (using tax dollars) its attorneys, while the importer pays its attorneys to litigate such actions. Additionally, the importer is charged storage fees for the government's holding of seized goods and must pay bonds to the government to initiate the forfeiture process. The trademark owner does not have to pay storage fees or bonds. There simply is no meaningful financial expenditure on behalf of the trademark owner whose rights are being enforced. To ensure that the seizure process is not misused, there should be a requirement that places a degree of financial responsibility on the trademark owner. For example, if the goods are found lawful, the trademark owner should have to pay for the government attorneys' enforcement of its mark and should repay the importer's storage fees and bonds in the event the importer prevails. Making such changes would not negatively impact CBP's screening function. Indeed, it should incentivize trademark owners to be more discerning before telling CBP that goods are infringing its mark, improve that process, and allow CBP to focus its efforts on combating true counterfeits.

Third, the burden of proof should be flipped back to the party seeking trademark enforcement. Presently, the government need only show it had probable cause to seize goods as counterfeit, and probable cause can be based solely on the trademark owner's opinion. Then the importer must bear the burden of proving noninfringement. In a traditional case under the Lanham Act, the burden of proof is borne by the party alleging a violation of rights. Even under CAFRA, "the burden of proof is on the Government to establish, by a preponderance of the evidence, that the property is subject to forfeiture."<sup>51</sup> Requiring the government and/or the trademark owner to bear the burden of proof ensures that the scales are balanced in favor of fair competition and free trade.

Finally, additional financial protections should be present. CBP should be prevented from taking discretionary action against importers, including penalties, bonding requirements, or other punitive actions, when an importer has contested or is contesting CBP's determinations—without these protections, CBP can essentially bankrupt legitimate importers.<sup>52</sup> And, again, since the vast majority of seizures involving actual counterfeits are not challenged, imposing such a requirement should have little impact on CBP's screening efforts.

In short, currently all of the forces of the government are brought to bear against an importer that may or may not be accused of trademark infringement in good faith, whether by government actors that do not execute a full trademark infringement analysis or by trademark owners that have no disincentive to claim that flagged, imported goods are counterfeit. The government enjoys deference in the courts and substantial immunity<sup>53</sup> for its actions, and there are few, if any, statutory protections for importers that may be wrongly accused. These hardships, which can last for years, can be brought about against a market rival with only a short email confirming the suspicion of a CBP agent based on nothing more than a visual comparison of a product with a photograph. Such minimal investment by a trademark owner in protecting its trademark should not be rewarded with the substantial weapons in the government's arsenal.

A more balanced approach to the seizure process would serve the goals of the Lanham Act while preventing mark owners from using the government's power and taxpayer funding to attack business rivals. The above changes would provide protections for legitimate importers while still allowing the government and mark owners a means to stem the flow of counterfeit goods.

## Endnotes

1. *See* 19 U.S.C. § 1526(e); 15 U.S.C. § 1124. CBP also has the power to seize articles believed to infringe registered copyrights. 19 U.S.C. § 1595a(c)(2)(C). The process for challenging copyright seizures varies greatly from the process for trademarks. For example, the copyright owner must request the seizure of imported goods, and both the copyright owner and the importer are able to submit briefing and evidence supporting their positions to CBP Headquarters, which is more well-versed in the complexities of intellectual property rights than CBP port offices. 19 C.F.R. § 133.43(d)(1). The burden of proof is on the copyright owner, not the importer. *Id.*

2. U.S. CONST. art. I, § 8, cl. 3; *United States v. 12 200-Foot Reels of Super 8mm. Film*, 413 U.S. 123, 125 (1973) (“Historically such broad powers have been necessary to prevent smuggling and to prevent prohibited articles from entry.”).

3. Even before there has been an adjudication of infringement, these goods are commonly referred to as “counterfeit.” *See generally* U.S. CUSTOMS & BORDER PROT., INTELLECTUAL PROPERTY RIGHTS SEIZURE STATISTICS: FISCAL YEAR 2020 (2021) [hereinafter FY20 SEIZURE STATISTICS], [https://www.cbp.gov/sites/default/files/assets/documents/2021-Sep/101808%20FY%202020%20IPR%20Seizure%20Statistic%20Book%2017%20Final%20spreads%20ALT%20TEXT\\_FINAL%20%28508%29%20REVISED.pdf](https://www.cbp.gov/sites/default/files/assets/documents/2021-Sep/101808%20FY%202020%20IPR%20Seizure%20Statistic%20Book%2017%20Final%20spreads%20ALT%20TEXT_FINAL%20%28508%29%20REVISED.pdf) (repeatedly referring to seized items as counterfeits when there has been no determination of infringement). Herein, we refer to these goods as “allegedly infringing goods” because they are not counterfeit goods unless and until they are found so.

4. *See generally* U.S. DEP’T OF HOMELAND SEC., COMBATING TRAFFICKING IN COUNTERFEIT AND PIRATED GOODS: REPORT TO THE PRESIDENT OF THE UNITED STATES (2020) [hereinafter COMBATING TRAFFICKING], [https://www.dhs.gov/sites/default/files/publications/20\\_0124\\_plcy\\_counterfeit-pirated-goods-report\\_01.pdf](https://www.dhs.gov/sites/default/files/publications/20_0124_plcy_counterfeit-pirated-goods-report_01.pdf); *Counterfeit Goods: A Danger to Public Safety*, U.S. IMMIGR. & CUSTOMS ENF’T, <https://www.ice.gov/features/dangers-counterfeit-items> (last updated Aug. 4, 2022); FY20 SEIZURE STATISTICS, *supra* note 3, at 3.

5. *See* 19 U.S.C. § 1621.

6. An importer does have the ability to initiate an equitable action seeking fast filing. An importer may file a declaratory judgment action against the trademark owner and seek an order from the court requiring the trademark owner to consent to the importation of the goods. Like the initiation of forfeiture actions, these actions can take years and cost a significant amount of money.

7. 19 U.S.C. § 1515(c).

8. 18 U.S.C. § 983.

9. COMBATING TRAFFICKING, *supra* note 4, at 45–46; *see also* U.S. Customs and Border Protection Services for Trademark Owners, U.S. PAT. & TRADEMARK OFF., <https://www.uspto.gov/trademarks/protect/customs-and-border-protection> (last modified Feb. 10, 2022); FY20 SEIZURE STATISTICS, *supra* note 3, at 13.

10. *See Help CBP Protect Intellectual Property Rights*, U.S. CUSTOMS & BORDER PROT., <https://www.cbp.gov/trade/priority-issues/ipr/protection> (last modified July 6, 2022); COMBATING TRAFFICKING, *supra* note 4, at 45–46.

11. *See* U.S. PAT. & TRADEMARK OFF., TRADEMARK MANUAL OF EXAMINING PROCEDURE (TMEP) § 1207.01 (8th ed. July 2022) (citing *In re E. I. du Pont de Nemours & Co.*, 476 F.2d 1357, 1361 (C.C.P.A. 1973)).

12. 19 C.F.R. § 133.21(b)(1); U.S. CUSTOMS & BORDER PROT., CUSTOMS DIRECTIVE NO. 2310-008A, TRADEMARK AND TRADENAME PROTECTION 4 (2000), [https://www.cbp.gov/sites/default/files/documents/2310-008a\\_3.pdf](https://www.cbp.gov/sites/default/files/documents/2310-008a_3.pdf).

13. 19 C.F.R. § 133.21(b)(3)–(5), (e).

14. UL is an independent, not-for-profit laboratory that tests representative samples of products to determine whether they comply with specific standards. If yes, products are permitted to bear the UL certification mark. *See* *United States v. 4500 Audek Model No. 5601 AM/FM Clock Radios*, 220 F.3d 539, 540–41 (7th Cir. 2000) (explaining the role of UL and the process it uses to certify goods).

15. 19 C.F.R. § 133.21(e).

16. *Id.* §§ 133.21(g), 133.27.

17. One of the main concerns about counterfeits that CBP asserts is that counterfeits “threaten the health and safety of the American people.” FY20 SEIZURE STATISTICS, *supra* note 3, at 3; *see also* COMBATING TRAFFICKING, *supra* note 4, at 7. However, the majority of products seized are luxury consumer products. Indeed, about 60% of the total number of seizures in 2020 were seizures of handbags and wallets, apparel and accessories, footwear, watches, and jewelry (totaling 57%). FY20 SEIZURE STATISTICS, *supra* note 3, at 12. CBP does not explain how the importation and sale of these luxury consumer products, which are not essential, harms or threatens the health and safety of American consumers.

18. 19 C.F.R. § 133.21(g).

19. The provision of the Tariff Act authorizing the government to compromise any claim arising under the customs laws applies to any and all claims. *Comm. to Preserve Am. Color Television v. United States*, 527 F. Supp. 341, 343 (Ct. Int’l Trade 1981) (discussing 19 U.S.C. § 1617). CBP can examine and seize illegal drugs, merchandise from a country with which the U.S. has an embargo, goods marked with the incorrect country of origin, food not approved by the FDA, and, of course, goods accused as counterfeit.

20. 19 C.F.R. § 171.1.

21. *See Ibarra v. United States*, 120 F.3d 472, 475 (4th Cir. 1997); 2000 Toyota Tundra Pickup Truck Asset ID No: 07-DEA-486182 v. United States, No. 08-MC-00032, 2008 WL 2078835, at \*2 (E.D. Pa. May 14, 2008).

22. 19 U.S.C. § 1608.

23. *Id.*

24. *Id.* §§ 1602–1604, 1608.

25. *See id.* § 1621.

26. *See United States v. \$8,850*, 461 U.S. 555, 556 (1983).

27. 19 U.S.C. § 1615.

28. *See United States v. 10,510 Packaged Comput. Towers*, 152 F. Supp. 2d 1189, 1201–02 (N.D. Cal. 2001) (concluding that the trademark owner was the “best source” of evidence regarding the contested marks and whether the claimant had permission to use the marks and that, consequently, CBP had established probable cause).

29. *See, e.g., Libman Co. v. Vining Indus., Inc.*, 69 F.3d 1360 (7th Cir. 2006); *Gen. Mills, Inc. v. Kellogg Co.*, 824 F.2d 622, 626 (8th Cir. 1987); *Hamilton Int’l Ltd. v. Vortic LLC*, 13 F.4th 264, 274 (2d Cir. 2021) (“in a trademark infringement case, the plaintiff bears the burden of proving a likelihood of consumer confusion”).

30. 28 U.S.C. § 2465.

31. *Id.* § 2465(a).

32. *See, e.g., United States v. \$70,670.00 in U.S. Currency*, 929 F.3d 1293 (11th Cir. 2019) (U.S. sought to voluntarily dismiss forfeiture action and return seized funds to claimant; affirmed denial of claimant’s motion for fees despite dismissal of action).

33. 19 U.S.C. § 1526(f).

34. *See, e.g., United States v. Able Time, Inc.*, 545 F.3d 824, 827–28 (9th Cir. 2008) (imposition of civil fines on alleged importer of counterfeits sustained even though underlying forfeiture action was dismissed and property returned to claimant).



35. 19 U.S.C. § 1499(c)(5)(A).

36. *Id.* § 1514.

37. 28 U.S.C. §§ 1581(a), 2640.

38. 19 U.S.C. § 1526(f)(4); 19 C.F.R. § 113.13(c), (d).

39. *Dastar Corp. v. Twentieth Century Fox Film Corp.*, 539 U.S. 23, 34 (2003) (explaining that the core purposes of the Lanham Act are to protect American consumers from confusion and to help trademark owners to reap the financial and reputational rewards of their marks); *see also* *Toyota Motor Sales, U.S.A., Inc. v. Tabari*, 610 F.3d 1171, 1176–77 (9th Cir. 2010) (“Prohibition of such truthful and non-misleading speech does not advance the Lanham Act’s purpose of protecting consumers and preventing unfair competition; in fact, it undermines that rationale by frustrating honest communication . . .”).

40. The Lanham Act is not concerned with protecting innovation by giving the innovator a monopoly. *See, e.g.*, *Duraco Prods., Inc. v. Joy Plastic Enters., Ltd.*, 40 F.3d 1431 (3d Cir. 1994); *Nora Beverages, Inc. v. Perrier Grp. of Am., Inc.*, 269 F.3d 114, 120 n.4 (2d Cir. 2001) (trademark law should not be used to “inhibit[] legitimate competition by giving monopoly control to a producer over a useful product”).

41. *See, e.g.*, *B & B Hardware, Inc. v. Hargis Indus., Inc.*, 575 U.S. 138, 154 (2015) (the standards of likelihood of confusion for trademark registration and infringement under the circuit court tests are the same); *KP Permanent Make-Up, Inc. v. Lasting Impression I, Inc.*, 543 U.S. 111, 122–23 (2004) (addressing the fair use affirmative defense).

42. *See* Disclosure of Information Regarding Abandoned Merchandise, 84 Fed. Reg. 44,790, 44,791 (Aug. 27, 2019) (proposing a rule for the disclosure of information regarding allegedly infringing goods because, in part, “shipments *often* are voluntarily abandoned” on detainment and “[t]he cost of demonstrating to CBP that a shipment is legitimate may outweigh the importation’s value, and importers *frequently* fail to respond to CBP inquiries” (emphasis added)).

43. *Stopping Infringing Goods at the Border*, IP AUSTR., <https://www.ipaustralia.gov.au/ip-infringement/enforcing-your-ip/stopping-infringing-imports> (last updated July 16, 2021).

44. *Id.*

45. CAN. BORDER SERVS. AGENCY, MEMORANDUM D19-4-3, ¶¶ 24–26 (2020), <https://www.cbsa-asfc.gc.ca/publications/dm-md/d19/d19-4-3-eng.pdf>.

46. *Id.* ¶¶ 27–28.

47. Regulation (EU) 608/2013, arts. 17–18, 23, 2013 O.J. (L 181) 15; *see also* Florian Schwab et al., *Border Seizure Measures in the European Union*, WORLD TRADEMARK REV. (May 13, 2019), <https://www.worldtrademarkreview.com/anti-counterfeiting/border-seizure-measures-european-union-1>.

48. Regulation (EU) 608/2013, at art. 23.

49. U.S. DEP’T OF JUST., ASSET FORFEITURE MANUAL 72 (2021), <https://www.justice.gov/criminal-afmls/file/839521/download> (“Although CAFRA imposed strict deadlines and notice requirements in the overwhelming majority of federal civil asset forfeiture proceedings, Congress expressly exempted from 18 U.S.C. § 983(a)’s notice deadlines administrative forfeiture proceedings [pursuant to the Tariff Act].”).

50. The Supplemental Rules for Admiralty or Maritime Claims and Asset Forfeiture Actions do not refer to, or otherwise permit, intervention as a plaintiff in a forfeiture proceeding; therefore, Federal Rule of Civil Procedure 24(a) applies. Under that rule, a mark owner’s interests are already “adequately represented by the Government,” and therefore the mark owner is not entitled to intervene. *United States v. 324 Auto. Grilles*, No. CV418-195, 2019 WL 11544480, at \*2–3 (S.D. Ga. Mar. 25, 2019), *aff’d*, *United States v. 60 Auto. Grilles*, 799 F. App’x 693, 696 (11th Cir. 2020).

51. 19 U.S.C. § 983(c)(1).

52. *See, e.g.*, *U.S. Auto Parts Network, Inc. v. United States*, 319 F. Supp. 3d 1303, 1310 (Ct. Int’l Trade 2018) (“Customs’ action of imposing an enhanced, punitive bond on 100% of Plaintiff’s imports, when only 1% of the goods are allegedly counterfeit, appears to contravene Customs’ own directive. It

places an excessive burden on U.S. Auto and places it in an arguably impossible position that will likely cause the company to go out of business if it were to pay the enhanced bond.”).

53. See 19 U.S.C. § 1513; see also U.S. CONST. amend. IV; HILLEL R. SMITH, CONG. RSCH. SERV., LSB10559, U.S. CUSTOMS AND BORDER PROTECTION’S POWERS AND LIMITATIONS: A PRIMER 3 (2021).

**ENTITY:**

**SECTION OF INTELLECTUAL PROPERTY LAW**

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