

Intellectual Property Rights Seizure Statistics

Fiscal Year 2014

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.



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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) 2014 the number of IPR seizures decreased nearly 5% to 23,140 from 24,361 in FY 2013. The manufacturer's suggested retail price (MSRP) of the goods had they been genuine decreased 30% to \$1,226,347,540.

Tactical interagency collaboration with the HSI-led National Intellectual Property Rights Coordination Center (IPR Center) resulted in 683 arrests, with 454 indictments and 461 convictions.

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

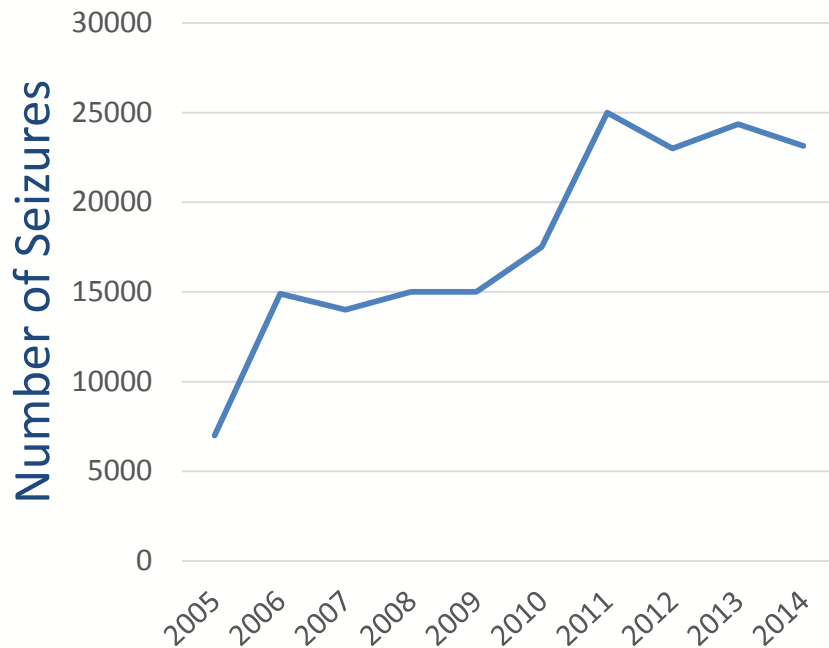
- Ensuring the protection of the health and safety of consumers, U.S. Customs and Border Protection and U.S. Immigration and Customs Enforcement – Homeland Security Investigations (HSI), identified and acted upon the significant development of counterfeit water filtration parts being sold to unknowing American users. FY 2014 efforts resulted in more than 32,000 water filtration articles being intercepted.
- There was an increase in both the number and MSRP of auto parts seizures. The number of seizures increased by more than 83% from 118 seizures in FY 2013 to 216 in FY 2014 and the MSRP increased 66% from \$4.1 million in FY 2013 to \$6.8 million in FY 2014. These additional seizures included a greater diversity of auto parts seized as compared to previous fiscal years, e.g., fuel injectors, rearview mirrors, gauges, valves, motor oil, and tachometers.
- Continuing on the success of Operation Home Plate I and II conducted in FY 2013 focusing on major sports league apparel, Operation Home Plate III resulted in 436 seizures totaling \$2.6 million MSRP.
- Operation BeatsBody, focusing on consumer electronics as well as integrated circuits resulted in 234 seizures totaling \$1.5 million MSRP.
- In addition, 144 shipments of circumvention devices were seized for violation of the Digital Millennium Copyright Act (DMCA) .



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Year in Review

10 Year Seizure Totals

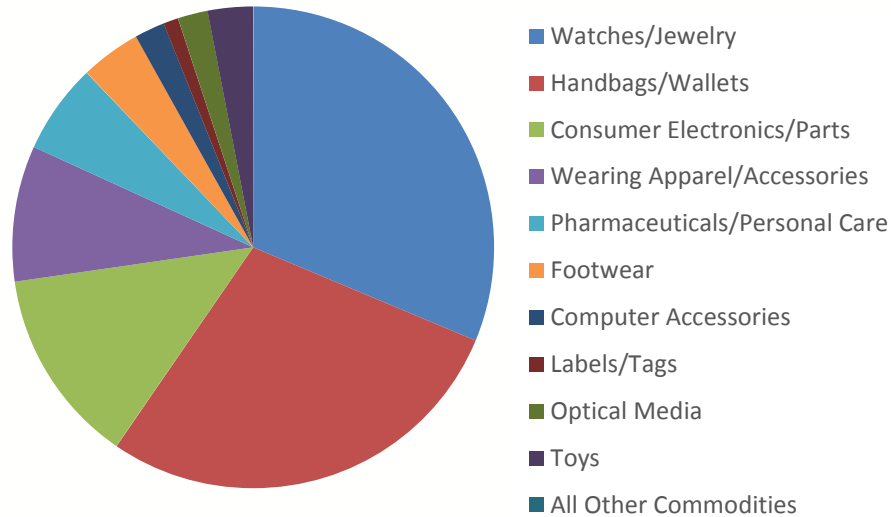


- An increased enforcement focus on semiconductors and the safety and security risks they present, resulted in a 5% increase in seizures from FY 2013 to FY 2014.
- Watches and jewelry overtook first place as the largest commodity classification by value. Due to increased outreach and education, battery seizures increased 64% from 221 in FY 2013 to 362 in FY 2014.
- Wearing apparel and accessories, as a category, continues to be the number one commodity classification based on number of seizures.
- Among trading partners, Canada moved into the Top 3 in seized MSRP value and Top 5 in total number of seizures.

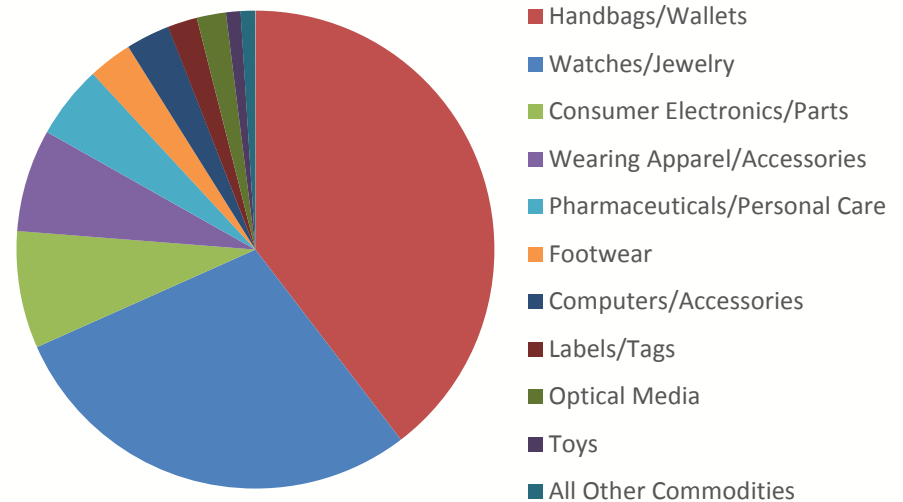


Manufacturer's Suggested Retail Price

Fiscal Year 2014



Fiscal Year 2013



Manufacturer's Suggested Retail Price

FY 2014 Commodity	MSRP	Percent of Total*
Watches/Jewelry	\$ 375,397,333	31%
Handbags/Wallets	\$ 342,031,595	28%
Consumer Electronics/Parts	\$ 162,209,441	13%
Wearing Apparel/Accessories	\$ 113,686,295	9%
Pharmaceuticals/Personal Care	\$ 72,939,399	6%
Footwear	\$ 49,522,859	4%
Computers/Accessories	\$ 26,652,422	2%
Optical Media	\$ 18,780,989	2%
Labels/Tags	\$ 17,675,452	1%
Toys	\$ 8,178,351	Less than 1%
All Other Commodities	\$ 39,273,404	3%

Total FY 2014 MSRP \$ **1,226,347,540**
Number of Seizures **23,140**

FY 2013 Commodity	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%
Toys	\$ 8,794,285	Less than 1%
All Other Commodities	\$ 18,837,223	1%

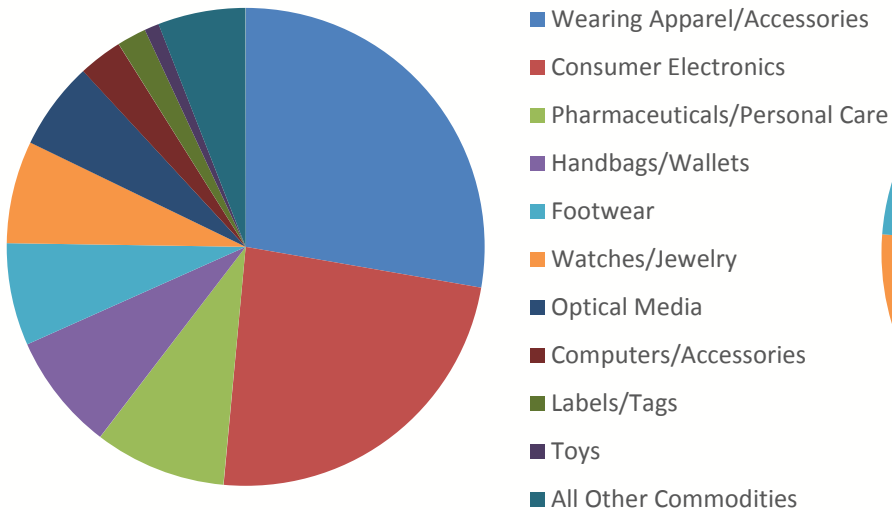
Total FY 2013 MSRP \$ **1,743,515,581**
Number of Seizures **24,361**



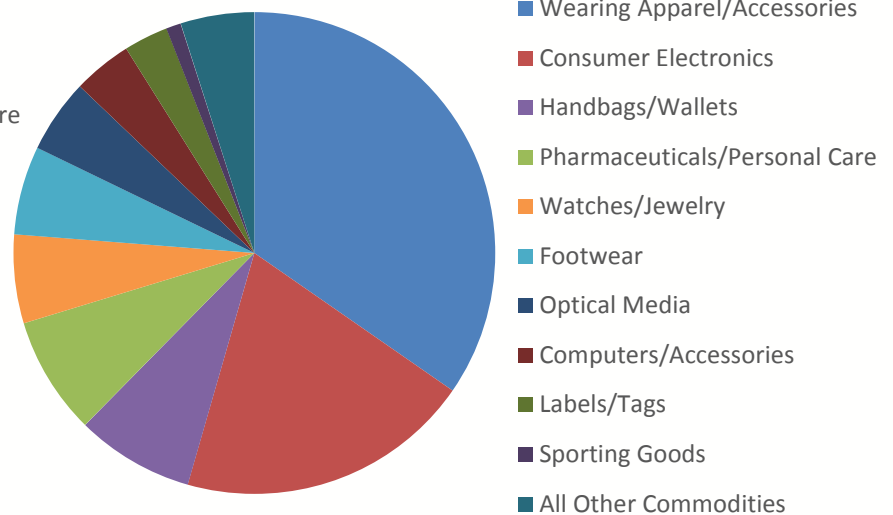
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Number of Seizures

Fiscal Year 2014



Fiscal Year 2013



Number of Seizures

FY 2014 Commodity	Number of Seizures	Percent of Total*
Wearing Apparel/Accessories	7,922	28%
Consumer Electronics	6,610	24%
Pharmaceuticals/Personal Care	2,417	9%
Handbags/Wallets	2,221	8%
Footwear	1,961	7%
Watches/Jewelry	1,937	7%
Optical Media	1,552	6%
Computers/Accessories	906	3%
Labels/Tags	540	2%
Toys	303	1%
All Other Commodities	1,723	6%

Number of Seizures **28,092***

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%
Labels/Tags	788	3%
Sporting Goods	266	Less than 1%
All Other Commodities	1,287	5%

Number of Seizures **28,212***

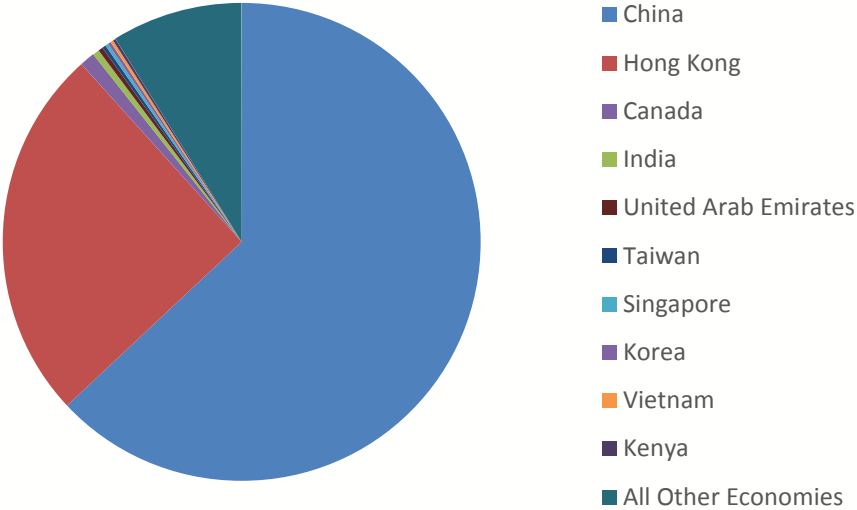
* Seizures can contain multiple commodities



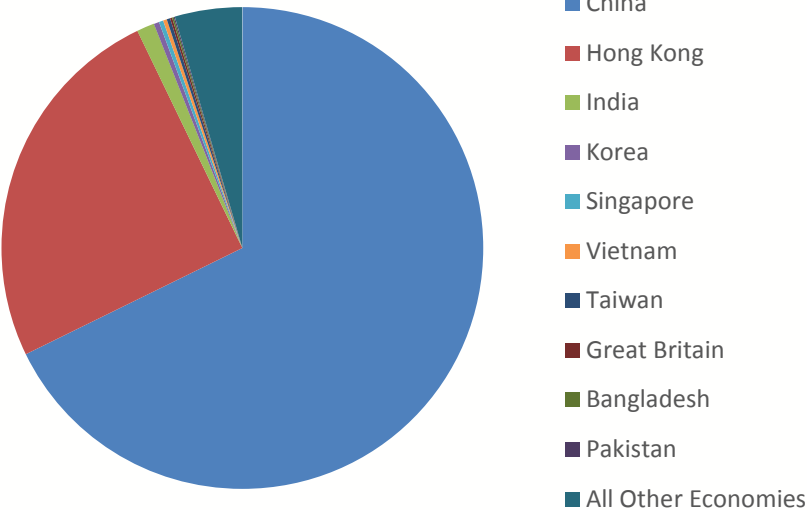
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Source Economies by Manufacturer's Suggested Retail Price

Fiscal Year 2014



Fiscal Year 2013



Source Economies by Manufacturer's Suggested Retail Price

FY 2014		Percent
Trading Partner	MSRP	of Total
China	\$ 772,629,008	63%
Hong Kong	\$ 310,437,365	25%
Canada	\$ 12,460,242	1%
India	\$ 5,540,652	Less than 1%
United Arab Emirates	\$ 3,791,268	Less than 1%
Taiwan	\$ 3,081,838	Less than 1%
Singapore	\$ 2,538,079	Less than 1%
Korea	\$ 2,514,596	Less than 1%
Vietnam	\$ 2,422,050	Less than 1%
Kenya	\$ 2,292,982	Less than 1%
All Others	\$ 108,639,461	9%

Total FY 2014 MSRP \$ **1,226,347,540**

Number of Seizures **23,140**

FY 2013		Percent
Trading Partner	MSRP	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 Britain	\$ 2,421,034	Less than 1%
Bangladesh	\$ 1,914,318	Less than 1%
Pakistan	\$ 1,335,728	Less than 1%
All Others	\$ 78,948,105	5%

Total FY 2013 MSRP \$ **1,743,515,581**

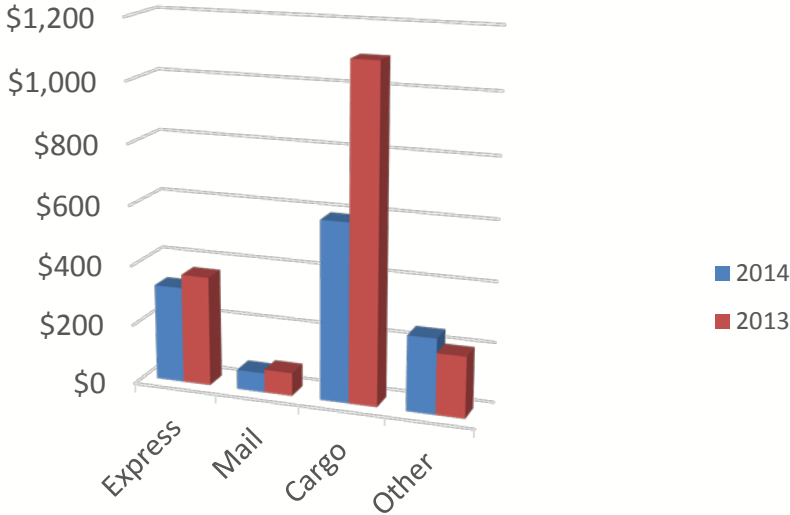
Number of Seizures **24,361**



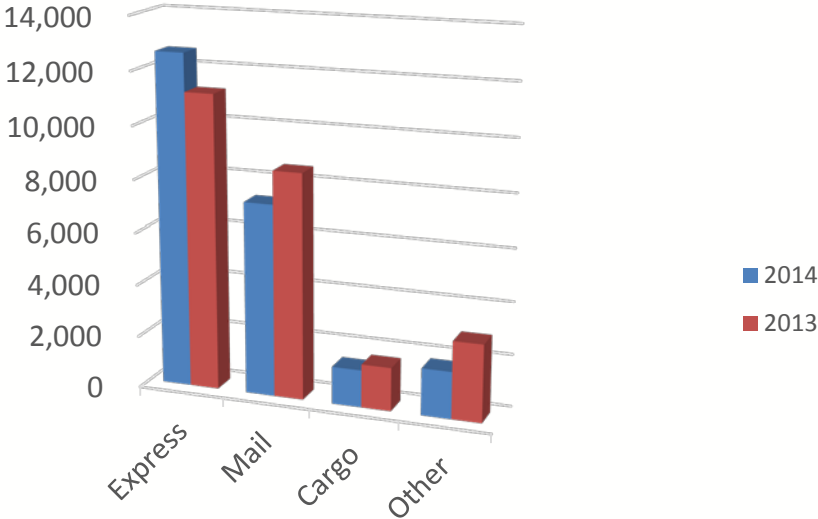
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Shipping Environments

MSRP (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 represent investigations by Homeland Security Investigations, exports, passenger baggage, or other enforcement situations.



Shipping Environments

Manufacturer's Suggested Retail Price (in millions)

FY	Express	Mail	Cargo	Other	Total
2013	\$364.60	\$76.50	\$1,100.00	\$202.40	\$1,743.50
2014	\$319.90	\$64.10	\$592.50	\$249.70	\$1,226.20

Number of Seizures

FY	Express	Mail	Cargo	Other	Total
2013	11,196	8,558	1,654	2,953	24,361
2014	12,623	7,300	1,423	1,794	23,140

