

IPR Center Report

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Partners in Action

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The IPR Center stands as a focal point in the U.S. government's fight against counterfeiting and the flow of counterfeit goods into the commerce of the U.S. The center employs a true task force model to optimize the roles and enforcement efforts of member agencies, while enhancing government-industry partnerships to support ongoing IPR enforcement initiatives.

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Operation Holiday Hoax: IPR Center Leads Massive Pre-Holiday Bust



ICE Assistant Secretary John Morton announces results of Operation Holiday Hoax, a six-day IPR enforcement surge in December 2009 that resulted in seizures worth \$26 million.

By Dennis Fetting, IPR Center

In December 2009, the National IPR Center coordinated a highly successful six-day holiday surge operation aptly named Operation Holiday Hoax.

Operation Holiday Hoax targeted counterfeiters working as distributors, shippers and vendors operating in 41 cities throughout the United States and Puerto Rico. U.S. teams also conducted inspection operations at six international mail and express courier hub facilities, targeting inbound parcels from high-risk countries.

At the culmination of the operation, the U.S. enforcement efforts resulted in the seizure of 708,250 counterfeit items with a domestic value of more than \$26 million. Items seized included counterfeit Christmas ornaments, toys, clothing, footwear, handbags, perfume, cosmetics, personal hygiene products, electronics and pharmaceuticals, along with pirated DVDs and CDs. The operation also included the arrests of 15 individuals for IPR-related violations.

Operation Holiday Hoax was not only successful in terms of its enforcement endeavors, but also in its unprecedented cooperation between the governments of the United States and Mexico regarding IPR investigations. During Holiday Hoax, the government of Mexico conducted parallel operations targeting counterfeit products and North American Free Trade Agreement violations at its ports, distribution sites and transportation routes.

These Mexican enforcement actions resulted in 8,111 inspections, the execution of 100 search warrants and the seizure of approximately 274 tons of counterfeit merchandise, along with numerous referrals for prosecutions of violators.

Operation Holiday Hoax sent a strong message that counterfeit goods are ubiquitous and pose safety hazards to the public, ICE Assistant Secretary John Morton noted at a December 14 press conference announcing the operation's results. "We are getting the word to consumers that

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Strengthening working relationships in IPR enforcement cases between the U.S. and China was the focus of a February 2 visit to the IPR Center by delegates from the Chinese Ministry of Public Security (MPS) in Beijing — the fourth such visit from Chinese delegates since the center opened in 2008.

The Chinese delegates expressed interest in working with the IPR Center on collaborative investigations, the formation of a joint task force and enforcement training in conducting Internet investigations. Members of the Chinese delegation also briefed U.S. officials on the status of an ongoing joint investigation involving cooperation between the MPS, the IPR Center and ICE domestic field offices.

During the meeting, ICE IPR officials recommended convening a working group of ICE and MPS personnel to develop a joint task force on IPR issues. ICE also offered the

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counterfeits are everywhere,” Morton said. “Even when the product itself is not dangerous, buying them harms the economy and the industries that create the real thing.”

The operation involved the participation of several federal agencies including ICE, U.S. Customs and Border Protection, the Federal Bureau of Investigation and the Food and Drug Administration, as well as state and local law enforcement, industry representatives and the government of Mexico. ■



A delegation from the Chinese Ministry of Public Security (pictured above with ICE Assistant Secretary John Morton, center) visited the IPR Center on February 2 to discuss IPR enforcement issues.

People’s Republic of China a seat in the IPR Center, an offer which is now under consideration.

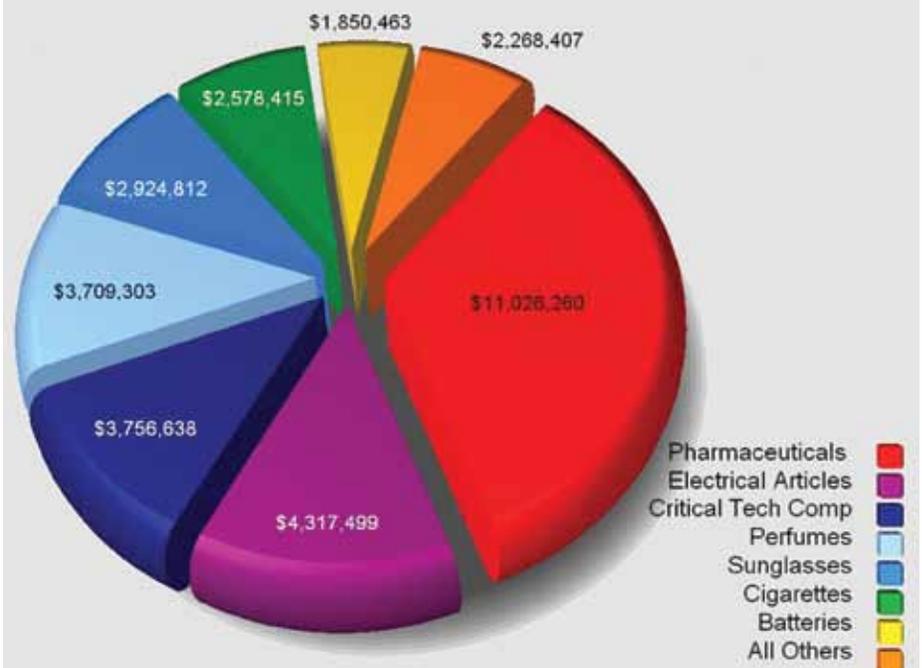
After their visit to the IPR Center, the Chinese delegates visited ICE

headquarters in Washington, D.C., where they met with Assistant Secretary John Morton, who stressed the importance of targeting IPR violations on a global scale. ■

IPR Center by the Numbers

Top Commodities Seized

for IPR Violations That Present Safety or Security Risks
FY 2009



Google Takes Steps to Protect American Public

By Richard Widup, Purdue
Pharmaceuticals

Google recently announced that as of March 2010, their company will only accept advertisements from online pharmacies based in the United States that are accredited through the National Association of Boards of Pharmacies VIPPS program, and from online pharmacies based in Canada that are accredited by the Canadian International Pharmacy Association. U.S. and Canadian pharmacies may only target ads to users in the country in which they are accredited.

This unprecedented stance is a tremendous step in the right direction. Sale of medicines via the Internet continues to be one of the single largest threats to public health, in large part because Internet pharmacies are not regulated.

In 2009, independent studies conducted by online pharmacy Legitscript and cyber threat site Knujon confirmed that the Internet remains a large source of counterfeit and unapproved medicines. These reports determined that 89 percent of online pharmacy advertisements appearing on a popular and widely available search engine led to rogue Internet pharmacies. These pharmacies either did not require a legitimate prescription or were otherwise operating illegally. Some of these rogue pharmacies are alleged to be members of “affiliate pharmacies” that have been linked to foreign organized crime operations.

Another popular search engine was also examined, and similar results were obtained. Rogue Internet sites routinely place the public at great

risk by shipping counterfeit or unapproved medicines to customers, by falsely stating the origin of the medicines and by re-directing users to Web accounts that operate for short periods of time.

The scope of this problem was highlighted in November 2009 when the results of Operation Pangea II were publicly disclosed. This international law enforcement operation targeted 794 Internet sites that appeared to be engaged in the unlawful sale and distribution of medicines. Operation Pangea II resulted in the seizure of more than 1,700 packages of counterfeit or unapproved products

by more than 25 law enforcement agencies, internationally.

The inherent risks associated with the Internet sale of medicines, to include the possibility of identity theft, cannot be denied. The American public would truly benefit from other search engines adopting Google’s advertising policy, and from the passing of responsible legislation that regulates the Internet sale of medicines. ■

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Operation Faux Bowl

By Dennis Fetting, IPR Center

In January 2010, ICE, CBP and local law enforcement partnered with the National IPR Center and the National Football League (NFL) to target criminal organizations and vendors using local and online business establishments to smuggle, distribute and sell counterfeit NFL Pro Bowl and Super Bowl merchandise.

Law enforcement teams visited Miami stores, street vendors, flea markets and swap meets to search for counterfeit merchandise aimed at football fans. During these sweeps, ICE agents seized 8,165 items consisting of counterfeit Super Bowl memorabilia along with other counterfeit items valued at \$431,483. The other items seized by ICE included counterfeit Major League Baseball and National Basketball Association jerseys as well as fake designer handbags, watches and electronics.

“This unprecedented playing of the Pro Bowl and the Super Bowl in the same week in the same city has been a magnet for the criminals who steal trademarks and knock off trusted brands to sell their substandard wares,” said ICE Assistant Secretary John Morton. “At every major sports event, these unscrupulous entrepreneurs take advantage of fan fever to sell the whole range of products bearing the trademark and names of the teams. They use inferior materials and craftsmanship to pump out look-alikes that do not benefit the teams, the players or the associations that have created those goods. Counterfeiting hurts the consumer, it hurts business and it costs American jobs.”

NBA All-Star Game Operation

In a related investigation, more than \$197,000 worth of counterfeit merchandise was seized by ICE SAC Dallas

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An Interview with U.S. Patent and Trademark Office Administrator Arti K. Rai

By Eleanore K. Meltzer, USPTO

Arti K. Rai is the administrator for external affairs at the U.S. Patent and Trademark Office (USPTO). In her role, Rai oversees the USPTO's work with Congress and leads informational and educational events on piracy and counterfeiting, and implementation of IP treaties. She is also responsible for working with foreign governments and other U.S. agencies to develop and improve intellectual property laws and systems.

We asked Rai to share her thoughts on the USPTO's partnership with the IPR Center.

Q: *We really appreciate USPTO's partnership with the IPR Center. What does the USPTO see as the value of this relationship?*

Rai: Thank you for the expression of appreciation. By law, the USPTO, through its undersecretary David Kappos, is responsible for advising both the president and other federal agencies on intellectual property issues. Partnership with the IPR Center is a tremendously important means for fulfilling the obligation to provide this advice and guidance on patents, trademarks, copyrights and other forms of IP.

Q: *Could you give examples of the type of IPR outreach the USPTO typically provides?*

Rai: We provide outreach in several ways. First, on behalf of the U.S. government, we pay for and train IPR attachés in Brazil, China, Egypt, India, Thailand, Russia and Switzerland. (Ed. Note: Geneva, Switzerland, is home to the World Intellectual Property Organization—WIPO—and the World Trade Organization.) Our IPR attachés work

in-country, and throughout their regions, directly with local government officials and businesses. Their hands-on efforts are invaluable in both establishing relationships and ensuring there is a direct line of communication between the United States and other countries.

Second, we offer a wide variety of IP-focused training seminars at our Global Intellectual Property Academy (GIPA). Enforcement experts from ICE, CBP, FBI, FDA, DOJ and other agencies regularly make presentations to the foreign representatives who come to GIPA for training.

Third, our own USPTO technical experts represent the United States at the various patent, trademark and copyright meetings sponsored by WIPO. We provide technical assistance to the Office of the United States Trade Representative, and help in formulating the IP texts for the United States' various bilateral and multilateral agreements.

Finally, we do a lot of work domestically, both assisting with DHS-sponsored programs, and working with Congress and other agencies to achieve domestic IP rules that promote innovation and trade.

Q: *You clearly have a lot of experience in both the substance of IP and the training aspect. What is your vision for external affairs in terms of IP training and outreach?*

Rai: My hope is that, by being an active partner with the IPR Center, USPTO and all the other federal agencies involved in IP issues will leverage our individual specialties to make the U.S. the internationally acknowledged home of "best practices" training.

Both the IPR Center and the USPTO's GIPA facilities in Alexandria, Va., provide world-class training opportunities. Our GIPA facility offers flexible meeting space that can be configured to accommodate up to 300 attendees, and we have additional meeting space that can accommodate up to 500 attendees. All of our conference facilities have built-in translation booths and multimedia capability.

Together with all of the IPR Center partners, there is absolutely no reason why the United States can't provide first class IP enforcement and other best practices training, year round. ■

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agents in the days leading up to the 2010 NBA All-Star Game in Dallas on February 14.

More than 4,000 pieces of counterfeit merchandise were seized by ICE agents working in conjunction with Dallas and Arlington police officials. During the operation, plainclothes agents and officers, working in teams, seized counterfeit items from Dallas-area merchants as well as vendors operating at the Dallas Convention Center, American Airlines Center in Dallas and Cowboys Stadium in Arlington, Texas.

In addition to the NBA All-Star official events, law enforcement teams also visited nearby parking lots, hotel parking lots and flea markets. The bulk of the seized counterfeit merchandise consisted of NBA and NFL labeled jerseys, t-shirts, hats and decals. ■