Travel Can Tell on Trademarke and Such: Part II
By Susan J. Brushaber

"For all of the modern know-how of U.S. corporations, it is an astonishing fact that for many, protection in foreign countries of their most valuable industrial properties, such as patents, trademarks, copyrights and designs is at best tenuous."[1] This was the opening sentence of an article that my grandmother, Jean Hamilton (a.k.a. Jean Terkildsen), wrote for the March 1972 issue of the *New Jersey Business* magazine shortly after retiring from a 50-year career in international patent and trademark administration. In the article, she recounts the trials and tribulations faced by her U.S. clients as they tried to protect their increasingly valuable trademarks overseas. While the article, *Travel Can Tell on Trademarks and Such*, was written nearly 40 years ago, much of it still rings true. For example, an American client with 40 registered trademarks in Mexico risked losing all 40 registrations given its failure to follow Mexico's recordation requirements. Another U.S. client nearly lost trademark rights in Great Britain because it had not recorded ownership and name changes with the British Trade Marks Office and paid the related value added tax (VAT).

However, as my grandmother aptly observed, "trademark pirates" were perhaps of far greater concern to brand owners: "In many foreign countries, particularly in South and Central America, there are known trademark pirates who make a living registering well-known marks which are not registered in their country. When the registrations of these marks appear, the U.S. owners try to purchase them and the price is usually about four or five thousand dollars."[2] In one instance, a pirate in Chile demanded payment of $46,000 from an American brand owner. Finally, after a 20-year struggle in which the brand owner was consistently outsmarted by the Chilean pirate, who systematically refiled the mark during Chile's statutory 30-day extension period (a period in which only the owner of a prior registration can refile an existing trademark), the U.S. company adopted a new mark in order to sell its products in Chile. Pirates notwithstanding, my grandmother, writing during the early days of what we now call "globalization," could not have imagined the future that lay ahead. Nor could she have understood its true import when she wrote: "In an era of accelerating multinational corporate growth, some of the largest and most sophisticated U.S. enterprises are as babes in an unexplored jungle of conflicting laws, procedures, rules and traditions that characterize the international industrial scene."[3]

It was during this "era of accelerating multinational corporate growth" in the 1970s that international trademark counterfeiting began to flourish. As multinational corporations grew, so did the manufacturing capacity of newly industrialized nations, and more specifically, their capacity for mass production. By producing counterfeit goods rather than investing in the research and development necessary to create their own line of goods as well as the advertising and marketing required to create brand recognition, or entering into legitimate license agreements with established brand owners, clever manufacturers in developing countries were able to quickly provide a boost to their local economy. Hence, there was little incentive for local governments to adopt or even enforce intellectual property laws.[4] Not surprisingly, the majority of the counterfeit goods produced abroad were destined for consumers in the United States. While the challenges of navigating international registration requirements my grandmother described in her article were clearly problematic for brand owners, the likely losses suffered by her former clients to trademark counterfeiters was becoming even more troubling. By 1982, 10 years after the article was published, the International Trade Commission estimated losses from counterfeiting and piracy at $5.5 billion.[5]

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Vuitton et Fils Takes on the Counterfeiters

French luxury goods manufacturer Vuitton et Fils S.A. ("Vuitton") was one of the earliest plaintiffs to take action against criminal counterfeiters. In the 1970s, Vuitton found itself facing increased competition from retailers in the New York metropolitan area who were selling counterfeit Vuitton merchandise at prices significantly below those charged by Vuitton for the authentic goods. Through extensive advertising efforts, Vuitton's distinctive trademark had achieved strong brand recognition and prestige since its registration with the United States Patent and Trademark Office in 1932. In March 1979, after having filed 84 cases nationwide under claims of trademark infringement and unfair competition, 53 of which were in the Second Circuit, Vuitton petitioned the Second Circuit for a writ of mandamus directed at the District Court for the Southern District of New York[6] that would instruct the district court to issue an ex parte temporary restraining order.[7] Just as in the previous 84 cases, the defendants here had been infringing Vuitton's trademarks and engaging in unfair competition by selling luggage and handbags that were identical to authentic Vuitton merchandise but of inferior quality.

In an affidavit in support of the complaint and requesting the ex parte restraining order against the defendants, Vuitton's attorney explained that his client had concluded, based on hundreds of investigations conducted in conjunction with the 84 other actions it had brought, that:

> there exist various closely-knit distribution networks for counterfeit Vuitton products. In other words, there does not exist but one or two manufacturers of counterfeit merchandise, but rather many more, but a few of which have been identified to date. . . . [O]nce one member of this community of counterfeiters learned that he had been identified by Vuitton and was about to be enjoined from continuing his illegal enterprise, he would immediately transfer his inventory to another counterfeit seller, whose identity would be unknown to Vuitton.[8]

Vuitton's efforts to identify the distributors and/or manufacturers of counterfeit goods had been further complicated by retailers' failure to maintain records of their purchases.

> The now too familiar refrain from a "caught counterfeiter" is "I bought only a few pieces from a man I never saw before and whom I have never seen again. All my business was in cash. I do not know how to locate the man from whom I bought and I can not remember the identity of the persons to whom I sold."[9]

In conclusion, Vuitton's attorney noted:

> If after Vuitton has identified a counterfeiter with an inventory of fake merchandise, that counterfeiter is permitted to dispose of that merchandise with relative impunity after he learns of the imminence of litigation but before he is enjoined from doing so, Vuitton's trademark enforcement program will be stymied and the community of counterfeiters will be permitted to continue to play its "shell game" at great expense and damage to Vuitton.[10]

In instructing the district court to grant an appropriate ex parte restraining order, the Second Circuit noted:

> As is amply demonstrated by the persistent factual pattern in the Vuitton cases, this case is not only "extraordinary," it approaches the bizarre . . . . In the absence of defendants who display either good faith or self-restraint, . . . these actions by Vuitton will rarely if ever proceed beyond the complaint stage. As a result, it is highly unlikely that this court will have the opportunity to consider the merits of the issue raised by Vuitton's request for ex parte temporary restraining orders.[11]

Counterfeiting was not limited to the New York metropolitan area or to luxury goods. In March 1982, facing competition from counterfeit warm-up suits being imported into and sold in the United States, the manufacturer of Fila sportswear filed a verified complaint in the United States District Court for the Southern District of Florida for trademark and trade name infringement and unfair competition along with applications for a temporary restraining order and preliminary injunction, an order for the immediate deposition of defendants, and an order of seizure of the counterfeit goods.[12] In its order granting the requested relief, the district court observed:

> South Florida, in particular, is widely becoming known as a haven for counterfeiters, with the spectrum of products which have been prey to this contagion being limited only by the outer bounds of the human imagination. Designer clothing, well-known watches, credit card companies, and even such items as MAZOLA corn oil have been slavishly copied. The public is deceived daily.[13]

Nor was counterfeiting limited to consumer goods or the harm caused by counterfeit goods merely economic. Counterfeit pharmaceuticals, medical devices, automobile and aircraft parts, cosmetics, grocery goods, and many other items posed a serious risk of harm to public health and safety. And first world consumers were not the only victims. Farmers in Zaire and Kenya allegedly lost two-thirds of their cash crops during the 1979–80 growing season due to counterfeit pesticide bearing the "Chevron" trademark.[14] Trademark counterfeiting had reached criminal proportions.

Counterfeiting as a Criminal Offense: The Trademark Counterfeiting Act of 1984

On April 22, 1982, Senator Charles McCurdy Mathias of Maryland introduced the country's first criminal anticounterfeiting law, the Trademark Counterfeiting Act of 1982, in the Second Session of the 97th Congress.[15] After hearings before the Judiciary Committee on September 15, 1982, the bill was substantially revised and reintroduced by Senator McCurdy Mathias on March 22, 1983, in the First Session of the 98th Congress. The Judiciary Committee's Subcommittee on Patents, Copyrights, and Trademarks held a hearing on the bill on September 14, 1983. At the hearings, testimony was heard from witnesses representing a cross-section of industries affected by counterfeiting, including Levi Strauss & Co., Ashland Oil Co., Gates Corp., Bausch & Lomb Corp., and Kmart Corp. Industry groups were also represented, including the International AntiCounterfeiting Coalition, which had been formed in 1978, the United States Trademark Association, the Association of General Merchandise Chains, and the Motor Equipment Manufacturers Association, as were local and federal government agencies including the Antitrust Division of the Department of Justice, the Commerce Department (the Commissioner of Patents and Trademarks), the New York City Department of Consumer Affairs, and the New York City Police Department. The substance of that testimony was incorporated into the report (Senate Report) that accompanied the final version of Senator McCurdy Mathias's bill, the Trademark Counterfeiting Act of 1984, which was approved without objection by the Judiciary Committee on May 10, 1984, and by the Senate on June 28, 1984.[16]

On September 12, 1984, the House of Representatives approved its own Trademark Counterfeiting Act of 1984, sponsored by Representative William J. Hughes, Chairman of the Subcommittee on Crime of the House Judiciary Committee.[17] Less than a month later, on October 12, 1984, President Reagan signed into law a compromise bill incorporating the best features of the House and Senate bills, the Trademark Counterfeiting Act of 1984 (1984 Act).[18]

The opening paragraphs of the Senate Report best illustrate those deficiencies in federal law prior to passage of the 1984 Act that were among the underlying causes for the rapid growth of counterfeiting, and highlights the three most significant provisions of the 1984 Act, each of which was specifically tailored to combat that growth:

> Under Federal law today, there are virtually no criminal penalties for the sale of goods and services through the use of false trademarks. The absence of such penalties, and the lack of sufficiently stiff civil sanctions, has emboldened counterfeiters, who now defraud consumers out of billions of dollars each year in the United States alone. S. 875 is designed to provide both Federal prosecutors and trademark owners with essential tools for combating this insidious and rapidly growing form of commercial fraud.
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> S. 875 provides for criminal penalties of up to 5 years imprisonment and up to $250,000 in fines for individuals and up to $1,000,000 in fines for corporations and similar legal entities that intentionally traffic in goods or services knowing them to be counterfeit. The bill also authorizes the owner of a registered trademark to bring a civil suit for treble damages against those who violate this provision.
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> As counterfeiters have built larger and more professional enterprises, they have become increasingly callous towards the judicial process. In particular, once given warning that a

trademark owner has discovered their illegal operation, many counterfeiters will simply destroy or conceal their illegal merchandise before any court can examine it. To provide trademark owners with an effective means of combatting this lawless behavior, the bill provides that under certain defined circumstances, a private party may obtain a court order to seize counterfeit goods without giving advance notice to the defendant. Since reputable businesses would not be likely to destroy or conceal merchandise if given notice of court proceedings, the bill would not permit issuance of ex parte seizure orders against such businesses except in unusual circumstances. In addition, the bill provides numerous safeguards to ensure that ex parte seizures are not abused.[19]

As noted in the Senate Report, the 1984 Act criminalized counterfeiting by enacting the country's first anticounterfeiting statute[20] and strengthened the relief available to trademark owners in civil actions by amending sections 34, 35, and 36 of the Lanham Act[21] in order to: (i) standardize the requirements and procedures to be followed by courts in issuing ex parte seizure orders,[22] (ii) mandate the award of treble damages and attorneys' fees,[23] and (iii) clarify the requirements for destruction orders.[24] The 1984 Act established the elements of a criminal charge of counterfeiting, namely, that the accused: (i) trafficked or attempted to traffic in goods or services, (ii) did so intentionally, (iii) used a counterfeit mark on or in connection with such goods or services, and (iv) knew the mark was counterfeit.[25]

In both the civil and criminal contexts, the 1984 Act was meant to apply to cases of intentional counterfeiting rather than innocent infringement.[26] To that end the definition of "counterfeit mark," substantially similar in both the criminal statute as well as the civil provisions dealing with ex parte seizure orders, was drafted to limit the application of the counterfeiting laws to marks used in connection with the same goods or services for which the mark was registered and to expressly exclude gray market goods or parallel imports, as well as manufacturing overruns:

(B) As used in this subsection the term "counterfeit mark" means—

(i) a counterfeit of a mark that is registered on the principal register in the United States Patent and Trademark Office for such goods or services sold, offered for sale, or distributed and that is in use, whether or not the person against whom relief is sought knew such mark was so registered; or

(ii) a spurious designation that is identical with, or substantially indistinguishable from, a designation as to which the remedies of this [Act] are made available by reason of [36 U.S.C. § 220506 dealing with the protection of Olympic marks and symbols]; *but such term does not include any mark or designation used on or in connection with goods or services of which the manufacturer or producer was, at the time of the manufacture or production in question authorized to use the mark or designation for the type of goods or services so manufactured or produced, by the holder of the right to use such mark or designation.*[27]

Given that the 1984 Act was not intended to change existing rules of liability, the drafters noted that marks used on gray market goods were not counterfeit and that the issue was better addressed under the relevant Treasury Regulations. Similarly in the case of overrun goods, the drafters indicated that it was the responsibility of the trademark owner to ensure that the contract with its licensed manufacturer provides that the production of overruns constitutes a breach of contract with liquidated damages as a remedy. Thus, it would be inappropriate to criminalize such practices given the existence of civil remedies.[28]

The 1996 Act: Counterfeiting as a Predicate Act under RICO

Yet counterfeiting continued to flourish. The International Trade Commission estimated that losses attributable to counterfeiting were $60 billion in 1988, which escalated to $200 billion by 1996.[29] On July 2, 1996, President Clinton signed the Anticounterfeiting Consumer Protection Act of 1996 (1996 Act).[30] Two years earlier, criminal penalties had been increased to their current levels, namely a maximum fine of $2 million and/or up to 10 years imprisonment for an individual and a fine of up to $5 million for persons other than an individual under the Violent Crime Control and Law Enforcement Act of 1994.[31] Recognizing that a connection existed between the counterfeiting of trademarked goods and organized crime, the 1996 Act increased criminal penalties even more by bringing trademark counterfeiting within the purview of the Racketeer Influenced and Corrupt Organizations Act (RICO).[32] In his remarks to Congress in support of the 1996 Act, Congressman Carlos Moorehead noted:

The combination of high profits and low risk of prosecution has made trademark and copyright counterfeiting a favorite activity of organized crime syndicates. Law enforcement agents from the U.S. Customs Service testified that combating criminal activity connected to counterfeiting is starting to look like attacking the drug trafficking problem. Last year, those same customs agents coordinated raids in New York and Los Angeles that netted $27 million in counterfeit merchandise and supported indictments of 43 members of a Korean crime syndicate.[33]

The sponsor of the 1996 Act, Congressman Bob Goodlatte of Virginia, went on to describe in greater detail the growing involvement of organized crime and the measures in the bill designed to deter further growth:

Because of the lure of enormous profits compared to the relatively low risk of being arrested, prosecuted, and sent to jail, it has not taken long for organized crime to get involved in counterfeiting operations. These operations have become highly sophisticated, well-financed, mobile, and international in scope.

In March 1995, more than 10.5 million dollars' worth of counterfeit software was found during a raid in California that also turned up semiautomatic weapons, handguns, and military explosives. Newspaper stories report that those who were arrested are under investigation for their link to organized crime, a link that may reach from China, Hong Kong, and Taiwan to southern California's immigrant neighborhoods.

These criminal networks have distribution systems as diverse as any modern corporation. Counterfeiters know that although criminal penalties exist on the books, criminal actions are rarely initiated against counterfeiters. As for private enforcement actions, trademark and copyright owners are consistently frustrated by an inability to recover any meaningful damages.

This legislation takes strong steps to attack this problem.

The Anticounterfeiting Consumer Protection Act will help law enforcement officials contend with the sophisticated nature of modern counterfeiting. First, it increases criminal penalties by making trafficking in counterfeit goods or services a RICO offense, consequently providing for increased jail time, criminal fines, and asset forfeiture.

Second, the legislation allows greater involvement by all levels of Federal law enforcement in fighting counterfeiting, including enhanced authority to seize counterfeit goods and the tools of the counterfeiters' trade.

Third, it makes it more difficult for these goods to re-enter the stream of commerce once they have been seized.

Fourth, our bill also adds teeth to existing statutes and provides stronger civil remedies, including civil fines pegged to the value of genuine goods and statutory damage awards of up to $1,000,000 per mark.

The Anticounterfeiting Consumer Protection Act will provide law enforcement officials with the tools they need to fight back, and to protect American business and the health and safety of American consumers. The time has come to make sure that our fight against counterfeiting is as sophisticated and modern as the crime itself.[34]

Specifically, the 1996 Act added violations of 18 U.S.C. § 2320 (the anticounterfeiting statute) to the definition of "racketeering activity" under RICO, thus making it a "predicate act" and subjecting violators to increased criminal penalties, including up to 20 years imprisonment, criminal fines of up to two times the gross profits attributable to counterfeiting activity, and forfeiture of all real and personal property associated with the criminal counterfeiting enterprise in addition to the counterfeit goods themselves.[35] The 1996 Act also allowed for the seizure of vehicles used in the transport of counterfeit goods by adding "any good bearing a counterfeit mark" to the definition of "contraband" under 49 U.S.C. § 80302(a). And, as noted by Congressman Goodlatte, the concept of statutory damages was introduced as an alternative to actual damages in civil actions in amounts ranging from $500 to up to $100,000 per mark, per type of goods sold, increasing up to $1 million if the court finds such infringement to be willful.[36]

Counterfeiters Remain Undeterred; Increased Penalties under the 2006 and 2008 Acts

Despite these higher penalties, counterfeiters were undeterred, even finding ingenious ways in which to avoid liability as in the case of Sonny Giles.[37] Giles was the owner of a business in Atlanta, Georgia, called "Fabulous Fakes," which specialized in the sale of knock-off designer leather goods, including handbags, belts, watches, and accessories. In 1994, as a result of an FBI sting operation, Giles was convicted and sentenced to 16 months in prison, a $3,000 fine, and two years supervised release for trafficking in counterfeit goods in violation of 18 U.S.C. § 2320 by the United States District Court for the Western District of Oklahoma. The goods at issue were wholesale "patch sets" that bore the Dooney & Bourke logo and were intended to be used with generic, inferior quality leather bags and luggage in order to create the impression that the articles were made by Dooney & Bourke. Giles appealed his conviction to the Tenth Circuit, contending that the indictment was defective based on the simple premise that the language of 18 U.S.C. § 2320 required that a defendant "both traffic in goods and knowingly use a counterfeit mark on or in connection with the goods."[38] Giles argued that the mere trafficking in a mark that is not attached to any goods "does not fall within the ambit of section 2320."[39] The Tenth Circuit agreed, finding that

Section 2320 does not clearly penalize trafficking in counterfeit labels which are unattached to any goods. The statute's language, in fact, indicates otherwise. The legislative history on the topic is unavailing. We cannot say with confidence that Mr. Giles was adequately informed that the conduct in which he engaged could be a federal crime, or that section 2320 was intended to cover his conduct. In any event, we must give him the benefit of the doubt. We hold that the allegations in the indictment failed to state an offense under section 2320.[40]

In reaching its holding the Tenth Circuit reasoned that the patch sets were labels and not goods, and that 18 U.S.C. § 2320 clearly distinguished between goods and "the marks they carry" by defining "counterfeit mark" as "a spurious mark that is used *in connection with goods*."[41] The statute, the court concluded, did not "forbid the mere act of trafficking in counterfeit labels which are unconnected to any goods."[42]

Partially in response to the holding in *Giles*, Congress passed the Stop Counterfeiting in Manufactured Goods Act on March 16, 2006 (2006 Act).[43] In fact, the House Judiciary Committee expressly referred to the *Giles* holding in its report to support the proposed expansion of the definition of counterfeit goods in the criminal counterfeiting statute to include product labels, packaging, and related items:

Under this section, section 2320 of title 18 would be expanded to include penalties for those who traffic in counterfeit labels, symbols, or packaging of any type knowing a counterfeit mark has been applied.

18 U.S.C. § 2320(a) would be modified, under this section, to allow a criminal cause of action for intentionally trafficking or attempting to traffic in labels, patches, stickers, wrappers, badges, emblems, medallions, charms, boxes, containers, cans, cases, hangtags, documentation, or packaging of any type or nature knowing that a counterfeit mark has been applied thereto, the use of which is likely to cause confusion, to cause mistake, or to deceive.

This modification is intended to overrule the holding in the case *United States v. Giles*, 213 F.3d 1247 (10th Cir. 2000), where the court of appeals overturned a conviction under 18 U.S.C. § 2320, holding that, based on the current language of the statute, no criminal liability could attach to trafficking in labels, patches, medallions, boxes, containers, cases, documentation, packaging and the like bearing registered marks, where the item bearing the registered marks were not attached to the goods.[44]

In addition to expanding the definition of counterfeit goods, the 2006 Act increased penalties under the criminal anticounterfeiting statute by requiring the destruction of counterfeit goods, the forfeiture of all assets used in counterfeiting operations, and the payment of restitution to the trademark owner.

Just over two years later, in October 2008, Congress passed the Prioritizing Resources and Organization for Intellectual Property Act of 2008 (PRO-IP Act).[45] Recognizing that the harm caused by counterfeiting was not just economic, 18 U.S.C. § 2320 was amended to provide for increased penalties up to life imprisonment if the counterfeiting defendant knowingly or recklessly caused serious bodily injury or death. Statutory damages under the Lanham Act were doubled,[46] and the act of counterfeiting (punishable by treble damages) was expanded to include providing the goods or services to facilitate counterfeiting activity with the intent to facilitate such activity.[47] Most noteworthy among the PRO-IP Act's provisions is the statement by Congress that it was the "sense of Congress" that "the effective criminal enforcement of the intellectual property laws against violations in all categories of works should be among the highest priorities of the Attorney General."[48]

Reaching Beyond U.S. Borders: The PROTECT IP Act of 2011

Despite all these efforts, the growth of counterfeiting has been relentless with much of the recent growth fueled by the Internet. Sales of counterfeit goods by illegitimate online retailers have been estimated at $135 billion.[49] The sale of counterfeit goods via the Internet is thriving given the ease with which well-designed and seemingly legitimate retail sites can be launched from overseas, allowing the operators of such rogue sites, who are often connected with organized crime, to maintain their anonymity. In fact, these rogue sites create an air of legitimacy by collecting online payments through well-known and respected credit card companies and running advertisements featuring famous brands. Counterfeit footwear, clothing, cosmetics, consumer electronics, and pharmaceuticals are among the most popular products sold online.[50]

In light of the limited remedies available to rights holders and law enforcement to combat this proliferation of Internet websites operated from overseas and in most cases registered anonymously, Senator Patrick Leahy (D-VT) introduced S. 968, the Preventing Real Online Threats to Economic Creativity and Theft of Intellectual Property Act of 2011 (PROTECT IP Act), into the Senate on May 12, 2011.[51] The bill was approved to the Senate Judiciary Committee for debate and unanimously approved on May 26, 2011. As of this writing, it is awaiting consideration by the full Senate. In his report to the Senate, Senator Leahy explained the PROTECT IP Act in the following terms:

> The Committee bill, as reported, gives the Department of Justice and rights holders an expedited process for cracking down on rogue Internet sites by targeting the domain names associated with those sites through injunctive relief. By making it more difficult for a domain name to be used for illicit purposes, and limiting the profitability of the underlying Internet site, the legislation will allow law enforcement to disrupt the criminal enterprises using domain names—and American infrastructure—to steal American intellectual property and profit off American consumers. The legislation will deter criminals from building up the success and visibility of rogue websites, because by doing so they will more likely become the target of law enforcement. The Committee bill, as reported, also addressed concerns raised by various parties since similar legislation was introduced in the 111th Congress, but the Committee understands that there remain outstanding concerns.[52]

Briefly, the PROTECT IP Act authorizes both individual rights holders as well as the Attorney General to bring a cause of action against either (i) the registrant of an "Internet site dedicated to infringing activities"; (ii) the owner/operator of the site; or (iii) directly against the domain name in an in rem action (reminiscent of the Anticybersquatting Consumer Protection Act). This last option is specifically designed to achieve jurisdiction over a non-U.S. domain name. Once a court order (a temporary restraining order, preliminary injunction, or injunction) has been obtained, the plaintiff may then serve that order on specific third parties, those that monetize the site, namely search engines, payment processors, and online advertising network providers. While space constraints do not permit a more detailed discussion of the PROTECT IP Act (as well as the controversial issues that are holdovers from its predecessor, the Combating Online Infringement and Counterfeits Act), it is clearly designed to deter further growth in online counterfeiting by diminishing the financial incentives connected to rogue Internet sites.

Notwithstanding heightened civil and criminal penalties and the ease and anonymity of the Internet, trade in counterfeit purses continues to thrive on Canal Street the old-fashioned way, though with a new twist. No longer housed in backdoor showrooms along Canal Street, these counterfeiters now operate more like drug dealers according to a recent article in the *New York Times*.[53] Rather than operate out of a centralized location, counterfeiters have storerooms and salespeople scattered across the city, with little to no contact between the two. In fact, the salesperson may not even know who he is working for. It is an all cash transaction. The salesperson meets the customer on the street with a brochure in hand. The customer selects her purse. The salesperson places a call. The purse is delivered by a second person, who collects payment and gives the salesperson a commission, leaving with the remaining cash. The bag sellers have lookouts to help them avoid detection by the police while undercover officers are on the lookout for the bag sellers and their lookouts. The fight against trademark counterfeiters, or as my grandmother called them, "trademark pirates" continues.

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Perhaps in March 1972, the fight my grandmother described did take place "in an unexplored jungle of conflicting laws, procedures, rules and traditions." Today's "pirates," on the other hand, are operating in a "jungle of lawlessness" where familiarity and compliance with international registration requirements is no longer sufficient. Instead, successful brands must enforce their brands, not only through administrative procedures, but also by forming anticounterfeiting teams and forging strong alliances with law enforcement authorities in order to avail themselves of both civil and criminal remedies. "In an era of accelerating multinational corporate growth, some of the largest and most sophisticated U.S. enterprises are as babes in an unexplored jungle of conflicting laws, procedures, rules and traditions that characterize the international industrial scene."[54] ■

Endnotes

1. Jean Hamilton, *Travel Can Tell on Trademarks and Such*, New Jersey Bus. (Mar. 1972).
2. *Id.*
3. *Id.*
4. *See* John F. Sweeney, *Heading Them Off at the Pass—Can Counterfeit Goods of Foreign Origin Be Stopped at the Counterfeiter's Border?*, 84 Trademark Rep. 477 (Sept.–Oct. 1944).

5. *See* Int'l AntiCounterfeiting Coal., *White Paper: The Negative Consequences of International Intellectual Property Theft: Economic Harm, Threats to the Public Health and Safety, and Links to Organized Crime and Terrorist Organizations,* at 3 (Jan. 2005), *available at* http://www.iccwbo.org/uploadedfiles/BASCAP/pages/iacc_whitepaper%5B1%5D.pdf.

6. Vuitton et Fils S.A. v. Dame Belt & Bag Co. & Morty Edelstein, 79 Civ. 0262.

7. *See In re* Vuitton et Fils S.A., 606 F.2d 1 (2d Cir. 1979).

8. *Id.* at 2.

9. *Id.*

10. *Id.*

11. *Id.* at 3 n.5.

12. Fimab-Finanziaria Maglificio Biellese Fratelli Fila S.p.A. v. Kitchen, 548 F. Supp. 248 (S.D. Fla. 1982).

13. *Id.* at 250.

14. 4 J. Thomas McCarthy, McCarthy on Trademarks and Unfair Competition § 25:10 (4th ed. 2011) (citing Bus. Wk., Dec. 16, 1985, at 64).

15. S. 2428, 97th Cong. (1982).

16. S. 875, 98th Cong. (1984).

17. H.R. 6071, 98th Cong. (1984).

18. H.R.J. Res. 648, 98th Cong. (1984) (enacted).

19. S. Rep. No. 526, at 1 (1984), *reprinted in* 1984 U.S.C.C.A.N. 3627.

20. Trafficking in Counterfeit Goods or Services, 18 U.S.C. § 2320 (2006).

21. 15 U.S.C. §§ 1116–18.

22. *See id.* § 1116(d).

23. *See id.* § 1117(b).

24. *See id.* § 1118.

25. *See* 18 U.S.C § 2320(a)(1).

26. *See* Joint Statement on Trademark Counterfeiting Legislation, 130 Cong. Rec. H12076–83 (daily ed. Oct. 10, 1984) [hereinafter Joint Statement].

27. Lanham Act § 34(d)(1)(B), 15 U.S.C. § 1116(d)(1)(B) (emphasis added).

28. *See* Joint Statement, *supra* note 26.

29. Int'l AntiCounterfeiting Coal., *supra* note 5.

30. Pub. L. No. 104-153, 110 Stat. 1386 (1996).

31. Pub. L. No. 103-322, 108 Stat. 1796 (1994).

32. 18 U.S.C §§ 1961 *et seq.*

33. 141 Cong. Rec. H5778 (daily ed. June 4, 1996).

34. *Id.* at H5779–80.

35. *See* 18 U.S.C. § 1963.

36. *See* 15 U.S.C. § 1117(c).

37. *See* United States v. Giles, 213 F.3d 1247 (10th Cir. 2000).

38. *Id.* at 1249.

39. *Id.*

40. *Id.* at 1253.

41. *Id.* at 1249 (citing 18 U.S.C. § 2320(e)(1)).

42. *Id.* at 1251.

43. Pub. L. No. 109-181, 120 Stat. 285 (2006).

44. H.R. Rep. No. 109-68, at 6 (2005), *reprinted in* 2006 U.S.C.C.A.N. 211, 215.

45. Pub. L. No. 110-403, 122 Stat. 4256 (2008).

46. *See* 15 U.S.C. § 1117.

47. *See id.* § 1115(b).

48. Pub. L. No. 110-403, § 503(6), 122 Stat. 4256, 4279.

49. Katie Deatsch, *Online Counterfeit Sales Will Cost Businesses $135 Billion This Year*, Internet Retailer (Jan. 5, 2011), http://www.internetretailer.com/2011/01/05/online-counterfeit-sales-will-cost-businesses-135-billion.

50. *See* S. Rep. No. 112-39 (2011).

51. The PROTECT IP Act is the successor to the controversial Combating Online Infringement and Counterfeits Act, which had also been introduced by Senator Leahy and died at the end of the 111th Congress.

52. *See* S. Rep. No. 112-39, at 3.

53. *See Fake Guccis, and a Real Cat-and-Mouse Game*, N.Y. Times, July 16, 2011.

54. *Id.*