IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

HONG KONG LEYUZHEN TECHNOLOGY CO. LIMITED, Plaintiff, v. Shenzhen Yilanya Technology Co., Ltd., a Chinese Entity Defendants.	**Case No. 1:25-cv-04947-MMP-HKM** **COMPLAINT FOR COPYRIGHT INFRINGEMENT** **Honorable Martha M. Pacold** **Magistrate Heather K. McShain** **JURY TRIAL DEMANDED**

COMPLAINT FOR COPYRIGHT INFRINGEMENT

Plaintiff, HONG KONG LEYUZHEN TECHNOLOGY CO. LIMITED ("Leyuzhen" or "Plaintiff"), by Plaintiff's undersigned counsel, hereby files this Complaint against Defendant, Shenzhen Yilanya Technology Co., Ltd., a Chinese Entity, ("Defendant") and Plaintiff's Complaint hereby alleges as follows:

JURISDICTION AND VENUE

1. This Court has original subject matter jurisdiction over the claims in this action pursuant to the provisions of the Federal Copyright Act, 17 U.S.C. § 101, et seq., 28 U.S.C. § 1338(a)–(b), and 28 U.S.C. § 1331.

2. Venue is proper in this Court pursuant to 28 U.S.C. § 1391, and this Court may properly exercise personal jurisdiction over Defendant since Defendant directly targets consumers in the United States, including Illinois, through at least the fully interactive commercial internet stores operating under the Defendant alias and/or the Alibaba online marketplace account (the "Defendant Internet Store"). Specifically, Defendant is reaching out to do business with Illinois residents by operating one or more commercial, interactive internet stores through which Illinois

residents can purchase products bearing infringing versions of Plaintiff's copyrighted work. Defendant has targeted Illinois residents by operating online stores that offer shipping to the United States, including Illinois, accept payment in U.S. dollars and, on information and belief, has sold products bearing infringing versions of Plaintiff's federally registered copyrighted work to residents of Illinois. Defendant is committing tortious acts in Illinois, is engaging in interstate commerce, and has wrongfully caused Plaintiff substantial injury in the State of Illinois.

INTRODUCTION

3. Plaintiff, Leyuzhen, is the owner of the federal copyright registration, VA0002379894, that protects the creative content of Plaintiff's work. Plaintiff is a clothing producer that creates art in the form of copyrighted photographs which are used in marketing Plaintiff's clothing store under the name "Rotita." Plaintiff sells the clothing they produced online at https://www.rotita.com/. This clothing is depicted in the copyrighted photographs also display in Plaintiff's online shop. Plaintiff's passion for creating fashion designs is driven by a desire to design clothing that would not have existed otherwise.

4. This action has been filed by Plaintiff to combat the online copyright infringer who trades upon Plaintiff's reputation, goodwill, and valuable copyrighted photographs by selling and/or offering for sale competing products in connection with Plaintiff's photographs. In addition, Defendant is selling competing products that are based on and derived from the copyrighted photographs that is the subject matter of Plaintiff's Complaint.

5. Plaintiff is the owner of United States Copyright Registration VA0002379894 (the "Rotita Work"/ "Swimwear/Beach Collection") contained in and attached hereto as **Exhibit 1.**

6. In an effort to illegally profit from the creative content of the Plaintiff's Work, Defendant has created an Internet Store and designed it to appear to be selling licensed and authorized Rotita Swimwear/Beach clothing through the use of Plaintiff's copyright protected images.

7. Defendant attempts to avoid liability by going to great lengths to conceal both its identity and the full scope and interworking of its illegal operation. Plaintiff is forced to file this action to combat Defendant's piracy of the copyrighted photographs. Plaintiff has been and continues to be irreparably damaged through loss of control over the authorized used of the valuable copyrighted photographs, reputation, goodwill, the quality, and ability to license as a result of Defendant's actions and seeks injunctive and monetary relief.

8. The rise of online retailing, coupled with the ability of e-commerce sites to hide their identities, has made it nearly impossible for policing actions to be taken by Plaintiff since availing himself of takedown procedures to remove unauthorized copyrighted photographs would be an ineffective and endless game of whack-a-mole against the mass piracy that is occurring over the internet. Here, a swarm of infringers have decided to trade upon Plaintiff's reputation, goodwill, and valuable copyrighted photographs by selling and/or offering for sale competing products in connection with Plaintiff's copyrighted photographs. The effect of the mass infringement that is taking place has overwhelmed Plaintiff and Plaintiff's ability to police Plaintiff's rights against the hundreds of anonymous defendants who are selling competing products at prices below Plaintiff's original.

9. To be able to offer the competing products at a price substantially below the cost of original, while still being able to turn a profit after absorbing the cost of manufacturing, advertising, and shipping requires an economy of scale only achievable through a cooperative effort throughout the supply chain. As Homeland Security's recent report confirms, infringers act

in concert through coordinated supply chains and distribution networks to unfairly compete with legitimate brand owners while generating huge profits for the illegal pirating network:

> Historically, many counterfeits were distributed through swap meets and individual sellers located on street corners. Today, counterfeits are being trafficked through vast e-commerce supply chains in concert with marketing, sales, and distribution networks. The ability of e-commerce platforms to aggregate information and reduce transportation and search costs for consumers provides a big advantage over brick-and-mortar retailers. Because of this, sellers on digital platforms have consumer visibility well beyond the seller's natural geographical sales area.
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> . . .
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> Selling counterfeit and pirated goods through e-commerce is a highly profitable activity: production costs are low, millions of potential customers are available online, transactions are convenient, and listing on well-branded e-commerce platforms provides an air of legitimacy.
>
> . . .
>
> The impact of counterfeit and pirated goods is broader than just unfair competition. Law enforcement officials have uncovered intricate links between the sale of counterfeit goods and transnational organized crime. A study by the Better Business Bureau notes that the financial operations supporting counterfeit goods typically require central coordination, making these activities attractive for organized crime, with groups such as the Mafia and the Japanese Yakuza heavily involved. Criminal organizations use coerced and child labor to manufacture and sell counterfeit goods. In some cases, the proceeds from counterfeit sales may be supporting terrorism and dictatorships throughout the world.

See Department of Homeland Security, Combating Trafficking in Counterfeit and Pirated Goods, Jan. 24, 2020, (https://www.dhs.gov/publication/combating-trafficking counterfeit-and-piratedgoods), at 10, 19 (emphasis added) attached hereto as **Exhibit 2.**

10. E-Commerce giant Alibaba has also made public its efforts to control piracy and counterfeiting on its platform. It formed a task force that worked in conjunction with Chinese authorities for a boots-on-the-ground effort in China to stamp out counterfeiters. In describing the counterfeiting networks it uncovered, Alibaba expressed its frustration in dealing with "vendors, affiliated dealers and factories" that rely upon fictitious identities that enable counterfeiting rings to play whack-a-mole with authorities:



Fighting China's counterfeits in the online era

Xinhua | Updated: 2017-09-19 14:20

BEIJING - A secret team in Chinese e-commerce giant Alibaba has the task of pretending to be online consumers who test-buy purchases from the billion-plus products on its platforms.

Alibaba's Anti-Counterfeiting Special Task Force, formed last year, actively works with local law enforcement agencies, said Qin Seng.

"After we clean up online shops selling counterfeits, the counterfeiters usually change their identities and places of dispatch, using more covert means to continue selling online," Qin said.

The team uses big data to identify counterfeits and the vendors, affiliated dealers and factories suspected of producing or selling counterfeit items. They pass evidence to the public security, administration of commerce and industry, quality inspection, food and drug supervision and other law enforcement agencies. At the same time, they investigate the evidence in the field.

The team faces many risks in their offline probes.

"Most counterfeiting dens are hidden and well-organized. For example, we encountered a village producing counterfeits. The villagers installed cameras everywhere and when they saw outsiders entering, they became vigilant and even threatened us," Qin said.

See Xinhua, Fighting China's Counterfeits in the Online Era, China Daily (Sept. 19, 2017), available at www.chinadaily.com.cn/business/2017-09/19/content_32200290.htm **Exhibit 3.**

11. Plaintiff has been and continues to be irreparably harmed through loss of control over Plaintiff's reputation, goodwill, ability to license and the quality of goods featuring the copyrighted photographs. The rise of eCommerce as a method of supplying goods to the public exposes brand holders and content creators that make significant investments in their products to significant harm from counterfeiters:

> Counterfeiting is no longer confined to street-corners and flea markets. The problem has intensified to staggering levels, as shown by a recent Organisation for Economic Cooperation and Development (OECD) report, which details a 154 percent increase in counterfeits traded internationally — from $200 billion in 2005 to $509 billion in 2016. Similar information collected by the U.S. Department of Homeland Security (DHS)

> between 2000 and 2018 shows that seizures of infringing goods at U.S. borders have increased 10-fold, from 3,244 seizures per year to 33,810.
>
> …
>
> The rise in consumer use of third-party marketplaces significantly increases the risks and uncertainty for U.S. producers when creating new products. It is no longer enough for a small business to develop a product with significant local consumer demand and then use that revenue to grow the business regionally, nationally, and internationally with the brand protection efforts expanding in step. Instead, with the international scope of e-commerce platforms, once a small business exposes itself to the benefits of placing products online — which creates a geographic scope far greater than its more limited brand protection efforts can handle — it begins to face increased foreign infringement threat.
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> . . .
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> Moreover, as costs to enter the online market have come down, such market entry is happening earlier and earlier in the product cycle, further enhancing risk. If a new product is a success, counterfeiters will attempt, often immediately, to outcompete the original seller with lower-cost counterfeit and pirated versions while avoiding the initial investment into research and design.
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> . . .
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> Counterfeiters have taken full advantage of the aura of authenticity and trust that online platforms provide. While e-commerce has supported the launch of thousands of legitimate businesses, their models have also enabled counterfeiters to easily establish attractive "storefronts" to compete with legitimate businesses

See Combating Trafficking in Counterfeit and Pirated Goods, Jan. 24, 2020, **Exhibit 2** at 4, 8, 11.

12. Not only are the creators and copyright owners harmed, but the public is also harmed as well:

> The rapid growth of e-commerce has revolutionized the way goods are bought and sold, allowing for counterfeit and pirated goods to flood our borders and penetrate our communities and homes. Illicit goods trafficked to American consumers by ecommerce platforms and online third-party marketplaces threaten public health and safety, as well as national security. This illicit activity impacts American innovation and erodes the competitiveness of U.S. manufacturers and workers. The President's historic memorandum provides a much warranted and long overdue call to action in the U.S. Government's fight against a massive form of illicit trade that is inflicting significant harm on American consumers and businesses. <u>This illicit trade must be stopped in its tracks.</u>

Id. at 3, 4. (Underlining in original).

13. Plaintiff's investigation reveals Defendant's Internet Store employs nonstandard business language and categorization, "Yinlanya" has no meaning, instead, this and similar stores, have the appearance of being made up. Further if a company that appears to be legitimate is used, online

research shows that there is no known address for the company. The only address information on the store webpage is that it is located in Guangdong, China. Therefore, the Defendant's Internet Store is using its online storefronts designed to appear to be selling authorized Rotita Swimwear/Beach Products, while selling inferior imitations of Plaintiff's Fashion Collection at a lower price. Plaintiff is forced to file this action to combat Defendant's infringement of Plaintiff's copyrighted photographs, as well as to protect unknowing consumers from purchasing unauthorized Rotita Swimwear/Beach Fashion Collection over the internet.

14. This Court has personal jurisdiction over the Defendant, because the Defendant conducts significant business in Illinois and in this judicial district. Furthermore, the acts and events giving rise to this lawsuit were undertaken in Illinois and in this judicial district. In addition, Defendant has offered to sell and ship infringing products into this judicial district.

THE PLAINTIFF

15. Plaintiff, Leyuzhen, is the owner of the Copyright Registration that protects the creative content of the copyrighted photographs. Plaintiff is a clothing producer that creates art in the form of copyrighted photographs of its fashion products. In every copyrighted photograph there is a common emphasis on the specific poses and angles. Plaintiff's passion for creating fashion designs is driven by a desire to design clothing that would not have existed otherwise.

16. Plaintiff has expended substantial time, money, and other resources in developing, advertising, and otherwise promoting the copyrighted photographs. As a result, products associated with the Plaintiff's copyrighted photographs are associated by consumers, the public, and the trade as products authorized for sale by Plaintiff.

17. Plaintiff is the owner of the United States Copyright Registration that covers the Rotita Work. The Registration is valid, subsisting, and in full force and effect. A true and correct copy of the registration certificate for VA0002379894 is attached hereto as **Exhibit 1.**

18. In an effort to illegally profit from the creative content of the Rotita Work, Defendant's Internet Stores are designed to appear to be selling authorized Rotita Swimwear/Beach clothing.

19. Plaintiff has invested substantial time, money, and effort in building up and developing consumer awareness, goodwill, and recognition in the Rotita Work.

20. The success of the Rotita Work is due in large part to Plaintiff's marketing, promotional, and distribution efforts.

21. As a result of Plaintiff's efforts, the quality of the Rotita Swimwear/Beach clothing, the promotional efforts for Plaintiff's products and designs, and social media coverage, members of the public have become familiar with the Rotita Work and associate it exclusively with Plaintiff.

22. Plaintiff has made efforts to protect Plaintiff's interests in and to the copyrighted photographs. No one other than Plaintiff and Plaintiff's licensees are authorized to reproduce the copyrighted photographs in an effort to advertise, create competing products, offer for sale, or sell any competing goods utilizing the copyrighted photographs without the express written permission of Plaintiff.

THE DEFENDANTS

23. Defendant, Shenzhen Yilanya Technology Co., Ltd., is a business entity who, upon information and belief, resides in the People's Republic of China, Guangdong District, or other foreign jurisdictions. Defendant conducts business throughout the United States, including within Illinois and in this judicial district, through the operation of the fully interactive commercial websites and online marketplaces operating under the Defendant Internet Store. Defendant targets

the United States, including Illinois, and has offered to sell and, on information and belief, has sold and continues to sell competing products utilizing the use of the copyrighted photographs to consumers within the United States, including Illinois and in this judicial district through e-commerce web platforms, here specifically Alibaba.

THE DEFENDANT'S UNLAWFUL CONDUCT

24. The success of the Rotita Work has resulted in significant copying of the creative content protected by Plaintiff's copyright registration. Plaintiff has identified numerous fully interactive websites and marketplace listings on various platforms. Defendant targets consumers in the United States, including the State of Illinois, and has offered to sell and, on information and belief, has sold and continues to sell competing products that violate Plaintiff's intellectual property rights in the Rotita Work ("Infringing Products") to consumers within the United States, including the State of Illinois.

25. Upon information and belief, Defendant facilitates sales by designing the Defendant Internet Store so that it appears to unknowing consumers to be authorized online retailer, outlet store, or wholesaler selling genuine Rotita Swimwear/Beach fashion wear through use of the copyrighted photographs.

26. The Defendant Internet Store intentionally conceals its identity and the full scope of its piracy operations in an effort to deter Plaintiff from learning Defendant's true identity and the exact interworking of Defendant's illegal operations. Through its operation of the Defendant Internet Store, Defendant is directly and personally contributing to, inducing, and engaging in the sale of competing Products as alleged, often times as partners, co-conspirators, and/or suppliers. Upon information and belief, Defendant is knowingly and willfully manufacturing, importing,

distributing, offering for sale, and selling competing Products promoted by the use of Plaintiff's copyrighted photographs.

27. Upon information and belief, at all times relevant hereto, the Defendant in this action has had full knowledge of Plaintiff's ownership of the copyrighted photographs, including Plaintiff's exclusive right to use and license such intellectual property and the goodwill associated therewith.

28. Defendants often go to great lengths to conceal their identities by often using multiple fictitious names and addresses to register and operate their massive network of Defendant Internet Stores. Upon information and belief, Defendant regularly creates new websites and online marketplace accounts on various platforms using the Shenzhen Yilanya Technology Co., Ltd., identity, as well as other unknown fictitious names and addresses. Such Defendant Internet Store registration patterns are one of many common tactics used by Defendants to conceal their identities, the full scope and interworking of their massive pirating operation, and to avoid being shut down.

29. In addition to operating under multiple fictitious names, Defendant in this case and defendants in other similar cases against online infringers use a variety of other common tactics to evade enforcement efforts. For example, infringers like Defendant will often register new online marketplace accounts under new aliases once they receive notice of a lawsuit. Infringers also typically ship products in small quantities via international mail to minimize detection by U.S. Customs and Border Protection. A 2021 U.S. Customs and Border Protection report on seizure statistics indicated that e-commerce sales accounted for 13.3% of total retail sales with second quarter of 2021 retail ecommerce sales estimated at $222.5 billion. U.S. Customs and Border Protection, Intellectual Property Right Seizure Statistics, FY 2021 (https://www.cbp.gov/sites/default/files/assets/documents/2022-Sep/202994%20%20FY%202021%20IPR%

20Seizure%20Statistics%20BOOK.5%20%20FINAL%20%28508%29.pdf) at 23. A true and correct copy of CBP's FY 2021 report is attached hereto as **Exhibit 4**. In FY 2021, there were 213 million express mail shipments and 94 million international mail shipments. *Id.* Nearly 90 percent of all intellectual property seizures occur in the international mail and express environments. *Id.* at 27. The "overwhelming volume of small packages also makes CBP's ability to identify and interdict high risk packages difficult." *Id.* at 23.

30. Further, infringers such as Defendant, typically operate multiple credit card merchant accounts and third-party accounts, such as PayPal, Inc. ("PayPal"), Klarna, and Payoneer accounts, behind layers of payment gateways so that they can continue operation in spite of Plaintiff's enforcement efforts. Upon information and belief, Defendant maintains an offshore bank account and regularly moves funds from its third-party accounts to offshore bank accounts outside the jurisdiction of this Court. Indeed, analysis of PayPal transaction logs from previous similar cases indicates that offshore infringers regularly move funds from U.S.-based PayPal accounts to foreign-based bank accounts, such as China-based bank accounts, outside the jurisdiction of this Court.

31. Defendant, without any authorization or license, has knowingly and willfully pirated Plaintiff's Rotita copyrighted photographs in connection with the advertisement, distribution, offering for sale, and sale of competing products into the United States and Illinois over the internet. Defendant's Internet Store offers shipping to the United States, including Illinois, and, on information and belief, Defendant has offered to sell Infringing Products into the United States, including Illinois. **Exhibit 5** the Defendant's Infringement.

COUNT I
COPYRIGHT INFRINGEMENT

32. Plaintiff repeats and incorporates by reference herein the allegations contained in the above paragraphs of this Complaint.

33. The Rotita copyrighted photographs has significant value and has been produced and created at considerable expense.

34. At all relevant times, Plaintiff has been the holder of the pertinent exclusive rights infringed by Defendant, as alleged hereunder, including but not limited to the Rotita copyrighted photographs, including derivative works. The Rotita copyrighted photographs are the subject of a valid Copyright Registration Certificate issued by the Register of Copyrights. **Exhibit 1.**

35. Defendant, without the permission or consent of Plaintiff, has, and continues to sell online products derived from pirated works of the copyrighted Rotita photographs. Defendant has violated Plaintiff's exclusive rights of reproduction and distribution. Defendant's actions constitute infringement of Plaintiff's exclusive rights protected under the Copyright Act (17 U.S.C. §101 et seq.).

36. The foregoing acts of infringement constitute a collective enterprise of shared, overlapping facts and have been willful, intentional, and in disregard of and with indifference to the rights of the Plaintiff. **Exhibit 5**.

37. As a result of Defendant's infringement of Plaintiff's exclusive rights under copyright, Plaintiff is entitled to relief pursuant to 17 U.S.C. §504 and to Plaintiff's attorneys' fees and costs pursuant to 17 U.S.C. §505.

38. The conduct of Defendant is causing and, unless enjoined and restrained by this Court, will continue to cause Plaintiff great and irreparable injury that cannot fully be compensated or measured in money. Plaintiff has no adequate remedy at law. Pursuant to 17 U.S.C. §§502 and

503, Plaintiff is entitled to injunctive relief prohibiting each Defendant from further infringing Plaintiff's copyright and ordering that Defendant destroy all unauthorized copies.

COUNT II
VIOLATION OF ILLINOIS UNIFORM DECEPTIVE TRADE PRACTICES ACT

39. Plaintiff repeats, realleges and incorporates by reference herein its allegations contained in paragraphs 1 through 38, above.

40. Defendant has engaged in acts violating Illinois law including, but not limited to, passing off its online pirated derivative works of the copyrighted Rotita photographs thereby causing a likelihood of confusion and/or misunderstanding as to the source of their goods, causing a likelihood of confusion and/or misunderstanding as to an affiliation, connection, or association with genuine Rotita products, falsely representing that Defendant's products have Plaintiff's authorization when they do not, and engaging in other conduct which creates a likelihood of confusion or misunderstanding among the public.

41. Moreover, Defendant has used, without authorization, Plaintiff's Copyright Protected Images in promoting Defendant's Online Stores by displaying them in connection with offering for sale non-Rotita, inferior products by deceiving consumers into believing said products are authentic Rotita products.

42. The foregoing acts of Defendant constitutes a willful violation of the Illinois Uniform Deceptive Trade Practices Act, 815 ILCS § 510/1, et seq.

43. Plaintiff is entitled to the recovery of damages and attorneys' fees as authorized by statute.

44. Plaintiff has no adequate remedy at law, and Defendant's conduct has caused Plaintiff to suffer damage to its Rotita Brand's reputation and goodwill. Unless enjoined by the Court, Plaintiff will continue to suffer future irreparable harm as a direct result of Defendant's unlawful activities.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment against Defendant as follows:

1) That Defendant, its affiliates, officers, agents, employees, attorneys, and all persons acting for, with, by, though, under, or in active concert with them be temporarily, preliminarily, and permanently enjoined and restrained from:

a. Using the Rotita copyrighted photographs or any reproductions, copies, or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is associated with the unauthorized reproduction of Rotita's copyrighted photographs.

b. further infringing the Rotita copyrighted photographs and damaging Plaintiff's goodwill.

c. shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory sold in connection with the unauthorized use of Plaintiff's copyrighted photographs.

d. using, linking to, transferring, selling, exercising control over, or otherwise owning the Defendant Internet Store, or any other online marketplace account that is being used to sell products or inventory in connection with unauthorized use of Plaintiff's photographs.

2) Entry of an Order that, upon Plaintiff's request, those in privity with Defendant and those with notice of the injunction, including any online marketplaces, social media platforms, Facebook, YouTube, LinkedIn, Twitter, internet search engines such as Google, Bing, and Yahoo, web hosts for the Defendant Internet Store, shall:

a. disables and cease providing services for any accounts through which Defendant engages in the sale of products sold in connection with the unauthorized use of Plaintiff's photographs, including any accounts associated with the Defendant.

b. disables and cease displaying any advertisements used by or associated with Defendant in connection with the sale of products and the unauthorized use of Plaintiff's copyrighted photographs.

c. takes all steps necessary to prevent links to the Defendant accounts from displaying in search results, including, but not limited to, removing links to the Defendant accounts from any search index.

3) For Judgment in favor of Plaintiff against Defendant that it/they have:

a) willfully infringed Plaintiff's rights in Plaintiff's federally registered copyright pursuant to 17 U.S.C. §501.

and b) otherwise injured the business reputation and business of Plaintiff by Defendant's acts and conduct set forth in this Complaint.

4) For Judgment in favor of Plaintiff against Defendant for actual damages or statutory damages pursuant to 17 U.S.C. §504, at the election of Plaintiff, in an amount to be determined at trial.

5) That Defendant, to the extent not enjoined for violation of the Copyright Act, be temporarily, preliminarily, and permanently enjoined under 815 ILCS § 510/1, et seq.

6) That Plaintiff be awarded attorneys' fees and costs damages as authorized by statute under 815 ILCS § 510/1, et seq.

7) That Plaintiff be awarded Plaintiff's reasonable attorneys' fees and costs; and

8) Award any and all other relief that this Court deems just and proper.

DEMAND FOR JURY TRIAL

Plaintiff also demands a trial by jury of all issues so triable pursuant to Federal Rule of Civil Procedure 38.

Dated: June 17, 2025

Respectfully Submitted

By: */s/ Katherine M. Kuhn*

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Exhibit 1

Certificate of Registration

This Certificate issued under the seal of the Copyright Office in accordance with title 17, *United States Code*, attests that registration has been made for the work identified below. The information on this certificate has been made a part of the Copyright Office records.

United States Register of Copyrights and Director

Registration Number
VA 2-379-894
Effective Date of Registration:
November 12, 2023
Registration Decision Date:
January 22, 2024

Copyright Registration for a Group of Published Photographs

Registration issued pursuant to 37 C.F.R. § 202.4(i)

For Photographs Published: January 04, 2022 to December 30, 2022

Title

Title of Group: Rotita6-2022
Number of Photographs in Group: 448

Completion/Publication

Year of Completion: 2022
Earliest Publication Date in Group: January 04, 2022
Latest Publication Date in Group: December 30, 2022
Nation of First Publication: United States

Author

- **Author:** HONGKONG LEYUZHEN TECHNOLOGY CO.,LIMITED

Author Created: photographs
Work made for hire: Yes
Citizen of: Hong Kong

Copyright Claimant

Copyright Claimant: HONGKONG LEYUZHEN TECHNOLOGY CO.,LIMITED
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Rights and Permissions

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Certification

Name: Nazly Bayramoglu
Date: November 12, 2023

Correspondence: Yes
Copyright Office notes: Regarding title information: Deposit contains complete list of titles that correspond to the individual photographs included in this group.

Regarding group registration: A group of published photographs may be registered on one application with one filing fee only under limited circumstances. ALL of the following are required: 1. All photographs (a) were created by the same author AND (b) are owned by the same copyright claimant AND (c) were published in the same calendar year AND 2. The group contains 750 photographs or less AND 3. A sequentially numbered list of photographs containing the title, file name and month of publication for each photograph included in the group must be uploaded along with other required application materials. The list must be submitted in an approved document format such as . XLS or .PDF. The file name for the numbered list must contain the title of the group and the Case Number assigned to the application.

Registration #: VA0002379894
Service Request #: 1-13195071562

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Exhibit 2



Combating Trafficking in Counterfeit and Pirated Goods

Report to the President of the United States

January 24, 2020

Homeland Security

Office of Strategy, Policy & Plans

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Foreword/Message from the Acting Secretary of Homeland Security



The rapid growth of e-commerce has revolutionized the way goods are bought and sold, allowing for counterfeit and pirated goods to flood our borders and penetrate our communities and homes. Illicit goods trafficked to American consumers by e-commerce platforms and online third-party marketplaces threaten public health and safety, as well as national security. This illicit activity impacts American innovation and erodes the competitiveness of U.S. manufacturers and workers.

Consumers must be confident in the safety, quality, and authenticity of the products they purchase online. DHS is committed to combating counterfeiters and pirates with the help of our U.S. Government partners and private sector stakeholders - who are critical to helping secure supply chains to stem the tide of counterfeit and pirated goods.

"Combating Trafficking in Counterfeit and Pirated Goods," has been prepared by the U.S. Department of Homeland Security's Office of Strategy, Policy, and Plans. The report uses available data, substantial public input, and other information to develop a deeper understanding of how e-commerce platforms, online third-party marketplaces, and other third-party intermediaries facilitate the importation and sale of massive amounts of counterfeit and pirated goods. The report identifies appropriate administrative, statutory, regulatory, and other actions, including enhanced enforcement measures, modernization of legal and liability frameworks, and best practices for private sector stakeholders. These strong actions can be implemented swiftly to substantially reduce trafficking in counterfeit and pirated goods while promoting a safer America.

This report was prepared pursuant to President Donald J. Trump's April 3, 2019, *Memorandum on Combating Trafficking in Counterfeit and Pirated Goods*. The President's historic memorandum provides a much warranted and long overdue call to action in the U.S. Government's fight against a massive form of illicit trade that is inflicting significant harm on American consumers and businesses. This illicit trade must be stopped in its tracks.

This report was prepared in coordination with the Secretaries of Commerce and State, the Attorney General, the Office of Management and Budget, the Intellectual Property Enforcement Coordinator, the United States Trade Representative, the Assistant to the President for Economic Policy, the Assistant to the President for Trade and Manufacturing Policy, and with other partners in the U.S. Government. The report also benefitted from extensive engagement with the private sector.

Sincerely,

Chad Wolf
Acting Secretary,
U.S. Department of Homeland Security

1. Executive Summary

The President's April 3, 2019, *Memorandum on Combating Trafficking in Counterfeit and Pirated Goods* calls prompt attention to illicit trade that erodes U.S. economic competitiveness and catalyzes compounding threats to national security and public safety.

Counterfeiting is no longer confined to street-corners and flea markets. The problem has intensified to staggering levels, as shown by a recent Organisation for Economic Cooperation and Development (OECD) report, which details a 154 percent increase in counterfeits traded internationally — from $200 billion in 2005 to $509 billion in 2016. Similar information collected by the U.S. Department of Homeland Security (DHS) between 2000 and 2018 shows that seizures of infringing goods at U.S. borders have increased 10-fold, from 3,244 seizures per year to 33,810.

Relevant to the President's inquiry into the linkages between e-commerce and counterfeiting, OECD reports that "E-commerce platforms represent ideal storefronts for counterfeits and provide powerful platform[s] for counterfeiters and pirates to engage large numbers of potential consumers."[1] Similarly, the U.S. Government Accountability Office (GAO) found that e-commerce has contributed to a shift in the sale of counterfeit goods in the United States, with consumers increasingly purchasing goods online and counterfeiters producing a wider variety of goods that may be sold on websites alongside authentic products.

Respondents to the July 10, 2019, Federal Register Notice issued by the Department of Commerce echoed these observations.[2] Perhaps most notably, the International Anti-Counterfeiting Coalition (IACC) reports that the trafficking of counterfeit and pirated goods in e-commerce is a top priority for every sector of its membership — comprised of more than 200 corporations, including many of the world's best-known brands in the apparel, automotive, electronics, entertainment, luxury goods, pharmaceutical, personal care and software sectors. The IACC submission goes on to say:

> *Across every sector of the IACC's membership, the need to address the trafficking of counterfeit and pirated goods in e-commerce has been cited as a top priority. The vast amounts of resources our members must dedicate to ensuring the safety and vitality of the online marketplace, bears out the truth of the issue highlighted by Peter Navarro, Assistant to the President for Trade and Manufacturing Policy, in his April 3, 2019 Op-Ed piece in The Wall Street Journal - that the sale of counterfeit brand-name goods presents a pervasive and ever-growing threat in the online space. One IACC member reported making*

[1] OECD (2018), *Governance Frameworks to Counter Illicit Trade*, Illicit Trade, OECD Publishing, Paris, https://doi.org/10.1787/9789264291652-en.

[2] Under Federal Register Notice (84 FR 32861), the Department of Commerce sought "comments from intellectual property rights holders, online third-party marketplaces and other third-party intermediaries, and other private-sector stakeholders on the state of counterfeit and pirated goods trafficking through online third-party marketplaces and recommendations for curbing the trafficking in such counterfeit and pirated goods."

> *hundreds of investigative online test purchases over the past year, with a nearly 80% successfully resulting in the receipt of a counterfeit item.*[3]

The scale of counterfeit activity online is evidenced as well by the significant efforts e-commerce platforms themselves have had to undertake. A major e-commerce platform reports that its proactive efforts prevented over 1 million suspected bad actors from publishing a single product for sale through its platform and blocked over 3 billion suspected counterfeit listings from being published to their marketplace. Despite efforts such as these, private sector actions have not been sufficient to prevent the importation and sale of a wide variety and large volume of counterfeit and pirated goods to the American public.

The projected growth of e-commerce fuels mounting fears that the scale of the problem will only increase, especially under a business-as-usual scenario. Consequently, an effective and meaningful response to the President's memorandum is a matter of national import.

Actions to be Taken by DHS and the U.S. Government

Despite public and private efforts to-date, the online availability of counterfeit and pirated goods continues to increase. Strong government action is necessary to fundamentally realign incentive structures and thereby encourage the private sector to increase self-policing efforts and focus more innovation and expertise on this vital problem. Therefore, DHS will immediately undertake the following actions and make recommendations for other departments and agencies to combat the trafficking of counterfeit and pirated goods.

Immediate Actions by DHS and Recommendations for the U.S. Government
1. Ensure Entities with Financial Interests in Imports Bear Responsibility
2. Increase Scrutiny of Section 321 Environment
3. Suspend and Debar Repeat Offenders; Act Against Non-Compliant International Posts
4. Apply Civil Fines, Penalties and Injunctive Actions for Violative Imported Products
5. Leverage Advance Electronic Data for Mail Mode
6. Anti-Counterfeiting Consortium to Identify Online Nefarious Actors (ACTION) Plan
7. Analyze Enforcement Resources
8. Create Modernized E-Commerce Enforcement Framework
9. Assess Contributory Trademark Infringement Liability for Platforms
10. Re-Examine the Legal Framework Surrounding Non-Resident Importers
11. Establish a National Consumer Awareness Campaign

[3] International Anti-Counterfeiting Coalition's comments made on the Department of Commerce, International Trade Administration, Office of Intellectual Property Rights', Report on the State of Counterfeit and Pirated Goods Trafficking Recommendations, 29 July 2019. Posted on 6 August 2019. https://www.regulations.gov/document?D=DOC-2019-0003-0072

Best Practices for E-Commerce Platforms and Third-Party Marketplaces

Government action alone is not enough to bring about the needed paradigm shift and ultimately stem the tide of counterfeit and pirated goods. All relevant private-sector stakeholders have critical roles to play and must adopt identified best practices, while redoubling efforts to police their own businesses and supply chains.

While the U.S. brick-and-mortar retail store economy has a well-developed regime for licensing, monitoring, and otherwise ensuring the protections of intellectual property rights (IPR), a comparable regime is largely non-existent for international e-commerce sellers. The following table catalogs a set of high priority "best practices" that shall be communicated to all relevant private sector stakeholders by the National Intellectual Property Rights Coordination Center. It shall be the Center's duty to monitor and report on the adoption of these best practices within the scope of the legal authority of DHS and the Federal government.

Best Practices for E-Commerce Platforms and Third-Party Marketplaces
1. **Comprehensive "Terms of Service" Agreements**
2. **Significantly Enhanced Vetting of Third-Party Sellers**
3. **Limitations on High Risk Products**
4. **Rapid Notice and Takedown Procedures**
5. **Enhanced Post-Discovery Actions**
6. **Indemnity Requirements for Foreign Sellers**
7. **Clear Transactions Through Banks that Comply with U.S. Enforcement Requests for Information (RFI)**
8. **Pre-Sale Identification of Third-Party Sellers**
9. **Establish Marketplace Seller ID**
10. **Clearly Identifiable Country of Origin Disclosures**

Foremost among these best practices is the idea that e-commerce platforms, online third-party marketplaces, and other third-party intermediaries such as customs brokers and express consignment carriers must take a more active role in monitoring, detecting, and preventing trafficking in counterfeit and pirated goods.

2. Introduction

> *E-commerce platforms represent ideal storefronts for counterfeits…and provide powerful platform[s] for counterfeiters and pirates to engage large numbers of potential consumers.*
>
> **- Organisation for Economic Cooperation and Development**[4]

The rapid growth of e-commerce platforms, further catalyzed by third-party online marketplaces connected to the platforms, has revolutionized the way products are bought and sold. "Online third-party marketplace" means any web-based platform that includes features primarily designed for arranging the sale, purchase, payment, or shipping of goods, or that enables sellers not directly affiliated with an operator of such platforms to sell physical goods to consumers located in the United States.

In the United States, e-commerce year-over-year retail sales grew by 13.3 percent in the second quarter of 2019 while total retail sales increased by only 3.2 percent as brick-and-mortar retail continued its relative decline.[5] For example, Amazon reports third-party sales on its marketplace grew from $100 million in 1999 to $160 *billion* in 2018.[6] In 2018 alone, Walmart experienced an e-commerce sales increase of 40 percent.[7]

Counterfeits threaten national security and public safety directly when introduced into government and critical infrastructure supply chains, and indirectly if used to generate revenue for transnational criminal organizations. Counterfeits also pose risks to human health and safety, erode U.S. economic competitiveness and diminish the reputations and trustworthiness of U.S. products and producers. Across all sectors of the economy, counterfeit goods unfairly compete with legitimate products and reduce the incentives to innovate, both in the United States and abroad.

While the expansion of e-commerce has led to greater trade facilitation, its overall growth—especially the growth of certain related business models—has facilitated online trafficking in counterfeit and pirated goods. American consumers shopping on e-commerce platforms and online third-party marketplaces now face a significant risk of purchasing counterfeit or pirated goods. This risk continues to rise despite current efforts across e-commerce supply chains to reduce such trafficking.

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[4] OECD (2018), *Governance Frameworks to Counter Illicit Trade*, Illicit Trade, OECD Publishing, Paris, https://doi.org/10.1787/9789264291652-en.

[5] Department of Commerce, U.S. Census Bureau, Economic Indicators Division, "Quarterly Retail E-Commerce Sales 2nd Quarter 2019," 19 August 2019. https://www2.census.gov/retail/releases/historical/ecomm/19q2.pdf

[6] Jeff Bezos, "2018 Letter to Shareholders," *The Amazon Blog*. 11 April 2019. https://blog.aboutamazon.com/company-news/2018-letter-to-shareholders

[7] Note: Walmart does not separate out the percentage of third-party vendor sales. More information can be found, *here*, Jaiswal, Abhishek, "Getting Started Selling on Walmart in 2019: An Insider's Guide to Success," *BigCommerce*. https://www.bigcommerce.com/blog/selling-on-walmart-marketplace/#millennials-are-the-drivers-of-legacy-brand-change-including-walmart. *See also*, "Walmart Marketplace: Frequently Asked Questions," *Walmart.* https://marketplace.walmart.com/resources/#1525808821038-8edf332b-5ba2.

The OECD reports international trade in counterfeit and pirated goods amounted to as much as $509 billion in 2016. This represents a 3.3 percent increase from 2013 as a proportion of world trade. From 2003[8] through 2018, seizures of infringing goods by the U.S. Customs and Border Protection (CBP) and U.S. Immigration and Customs Enforcement (ICE) increased from 6,500 to 33,810 while the domestic value of seized merchandise — as measured by manufacturer's suggested retail price of the legitimate good (MSRP) — increased from $94 million in 2003 to $1.4 billion in 2018.[9]

The rise in consumer use of third-party marketplaces significantly increases the risks and uncertainty for U.S. producers when creating new products. It is no longer enough for a small business to develop a product with significant local consumer demand and then use that revenue to grow the business regionally, nationally, and internationally with the brand protection efforts expanding in step. Instead, with the international scope of e-commerce platforms, once a small business exposes itself to the benefits of placing products online — which creates a geographic scope far greater than its more limited brand protection efforts can handle — it begins to face increased foreign infringement threat.

Moreover, as costs to enter the online market have come down, such market entry is happening earlier and earlier in the product cycle, further enhancing risk. If a new product is a success, counterfeiters will attempt, often immediately, to outcompete the original seller with lower-cost counterfeit and pirated versions while avoiding the initial investment into research and design.

In other words, on these platforms, the counterfeit and pirated goods compete unfairly and fraudulently against the genuine items. While counterfeit and pirated goods have been sold for years on street corners, alleys, and from the trunks of cars, these illicit goods are now marketed to consumers in their homes through increasingly mainstream e-commerce platforms and third party online marketplaces that convey an air of legitimacy.

With the rise of e-commerce, the problem of counterfeit trafficking has intensified. The OECD documents a 154 percent increase in counterfeits traded internationally, from $200 billion in 2005 to $509 billion in 2016.[10] Data collected by CBP between 2000 and 2018 shows that seizures of infringing goods at U.S. borders, much of it trafficked through e-commerce, has increased ten-fold. Over 85 percent of the contraband seized by CBP arrived from China and Hong Kong. These high rates of seizures are consistent with a key OECD finding.

> *Counterfeit and pirated products come from many economies, with China appearing as the single largest producing market. These illegal products are frequently found in a range of industries, from luxury items (e.g. fashion apparel or deluxe watches), via intermediary products (such as machines, spare parts or*

[8] https://www.cbp.gov/sites/default/files/documents/FY2003%20IPR%20Seizure%20Statistics_0.pdf.
[9] https://www.cbp.gov/sites/default/files/assets/documents/2019-Aug/IPR_Annual-Report-FY-2018.pdf
[10] OECD/EUIPO (2016), Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact, OECD Publishing, Paris. https://www.oecd-ilibrary.org/docserver/9789264252653-en.pdf?expires=1576509401&id=id&accname=id5723&checksum=576BF246D4E50234EAF5E8EDF7F08147

chemicals) to consumer goods that have an impact on personal health and safety (such as pharmaceuticals, food and drink, medical equipment, or toys).[11]

Operation Mega Flex

In 2019, in response to the alarmingly high rates of contraband uncovered by DHS and a request from the White House Office of Trade and Manufacturing Policy (OTMP), CBP initiated Operation Mega Flex. This operation uses enhanced inspection and monitoring efforts to identify high-risk violators that are shipping and receiving illicit contraband through international mail facilities and express consignment hubs.

The periodic "blitz operations" conducted under the auspices of Operation Mega Flex examine thousands of parcels from China and Hong Kong and carefully catalog the range of contraband seized. To date, such operations have included visits to seven of CBP's international mail facilities and four express consignment hubs and the completion of over 20,000 additional inspections. The following table summarizes the findings of three Mega Flex blitzes conducted between July and September of 2019.

Results of Operation Mega Flex (2019)

	Blitz I *July 16 & 17*	Blitz II *August 21*	Blitz III *September 18*	Total
Inspections	9,705	5,757	5,399	20,861
Discrepancies	1,145	1,010	735	2,890
Discrepancy Rate	11.8%	17.5%	13.6%	13.9%
Counterfeits	212	467	382	1,061
Counterfeit Rate	2.2%	8.1%	7.1%	5.1%

Source: U.S. Customs and Border Protection

Among the discrepancies uncovered by Operation Mega Flex were 1,061 shipments of counterfeit products. These counterfeits range from fake name brand items, like Louis Vuitton bags to sports equipment made with faulty parts. Other contraband included drug paraphernalia, deadly opioids, and counterfeit drivers' licenses.[12] In all, counterfeits constituted more than one of every three discrepancies uncovered by inspectors.[13]

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[11] OECD/EUIPO (2016), Trade in Counterfeit and Pirated Goods: Mapping the Economic Impact, OECD Publishing, Paris. https://www.oecd-ilibrary.org/docserver/9789264252653-en.pdf?expires=1576509401&id=id&accname=id5723&checksum=576BF246D4E50234EAF5E8EDF7F08147

[12] Oren Fliegelman, "Made in China: Fake IDs," ***The New York Times***. 6 February 2015. https://www.nytimes.com/2015/02/08/education/edlife/fake-ids-or-why-would-a-student-order-a-tea-set.html

[13] Among the near 3,000 discrepancies, 20% of them were agricultural violations, such as bad meat, fruit, or produce, unsafe for the American consumer. These agricultural discrepancies are dangerous to the United States because they may contain diseases or pests that can greatly impact agriculture. For example, on October 16, 2018, CBP seized nearly 900 pounds of mitten crabs from an incoming Chinese freight. In Asia, mitten crabs are considered a seasonal delicacy; however, they have a disastrous impact on other global habitats and are labeled as an invasive species. See, Department of Homeland Security, U.S. Customs and Border Protection, "CBP Prevents Smuggling of Nearly 900 Pounds of Invasive Mitten Crabs," 31 October 2018. https://www.cbp.gov/newsroom/national-media-release/cbp-prevents-smuggling-nearly-900-pounds-invasive-mitten-crabs.

Authorities also seized 174 controlled or prohibited substances, including: recreational drugs like LSD, cocaine, DMT, ecstasy, marijuana, mushrooms, and poppy pods as well as steroids and highly addictive painkillers like Tramadol.

It is not just a rise in the volume of counterfeits we are witnessing. GAO notes that counterfeiters are increasingly producing a "wider variety of goods that may be sold on websites alongside authentic products."[14]

DHS finds the current state of e-commerce to be an intolerable and dangerous situation that must be addressed firmly and swiftly by strong actions within the Department and across other relevant agencies of the U.S. Government (USG). These include: The Federal Bureau of Investigation and the Department of Justice, the Department of Commerce, and the Department of the Treasury. This report provides a blueprint for swift and constructive changes and sets forth several actions for immediate implementation.

3. Overview of Counterfeit and Pirated Goods Trafficking

While most e-commerce transactions involve legitimate sellers and products, far too many involve the trafficking of counterfeit and pirated goods and expose legitimate businesses and consumers to substantial risks. This is a global phenomenon; the OECD reports international trade in counterfeit and pirated goods amounted to as much as half a trillion dollars in 2016.[15]

Key Drivers of Counterfeiting and Piracy in E-Commerce

Historically, many counterfeits were distributed through swap meets and individual sellers located on street corners. Today, counterfeits are being trafficked through vast e-commerce supply chains in concert with marketing, sales, and distribution networks. The ability of e-commerce platforms to aggregate information and reduce transportation and search costs for consumers provides a big advantage over brick-and-mortar retailers. Because of this, sellers on digital platforms have consumer visibility well beyond the seller's natural geographical sales area.

Selling counterfeit and pirated goods through e-commerce is a highly profitable activity: production costs are low, millions of potential customers are available online, transactions are convenient, and listing on well-branded e-commerce platforms provides an air of legitimacy.

Other discrepancies found by CBP in the blitz operations included 13 weapon modifications and gun parts, 3 occurrences of drug paraphernalia, and 3 pill presses. For full summary of findings, see, Department of Homeland Security, U.S. Customs and Border Protection, Operation Mega Flex I, II and III Summaries, 2019.

[14]U.S. Government Accountability Office Report to the Chairman, Committee on Finance, U.S. Senate: *Intellectual Property: Agencies Can Improve Efforts to Address Risks Posed by Changing Counterfeits Market*, GAO-18-216, Washington, DC: Government Accountability Office, January 2018. https://www.gao.gov/assets/690/689713.pdf

[15]See OECD, Trends in Trade in Counterfeit and Pirated Goods (March 2019), available at https://www.oecd.org/governance/risk/trends-in-trade-in-counterfeit-and-pirated-goods-g2g9f533-en.htm

[15]See Parker et al. 2016

When sellers of illicit goods are in another country, they are largely outside the jurisdiction for criminal prosecution or civil liability from U.S. law enforcement and private parties.

The Role of Online Third-Party Marketplaces

Third-party online marketplaces can quickly and easily establish attractive "store-fronts" to compete with legitimate businesses. On some platforms, little identifying information is necessary to begin selling.

A counterfeiter seeking to distribute fake products will typically set up one or more accounts on online third-party marketplaces. The ability to rapidly proliferate third-party online marketplaces greatly complicates enforcement efforts, especially for intellectual property rights holders. Rapid proliferation also allows counterfeiters to hop from one profile to the next even if the original site is taken down or blocked. On these sites, online counterfeiters can misrepresent products by posting pictures of authentic goods while simultaneously selling and shipping counterfeit versions.

Counterfeiters have taken full advantage of the aura of authenticity and trust that online platforms provide. While e-commerce has supported the launch of thousands of legitimate businesses, their models have also enabled counterfeiters to easily establish attractive "store-fronts" to compete with legitimate businesses.

Platforms use their third-party marketplace functions to leverage "two-sided" network effects to increase profitability for the platform by adding both more sellers and more buyers. Because sellers benefit with each additional buyer using the platform (more consumers to sell to), and buyers are more likely to join/use the platform with each additional seller (more sellers to buy from), there can be diminished internal resistance to adding lower quality sellers.

Platforms that recognize this strategy may incentivize seller listings to stimulate further growth and increase profits but do so without adequate scrutiny. As just one incentive, many platforms create "frictionless entry" by reducing the costs for sellers and buyers to join, thereby increasing the likelihood that the platform will reach an efficient and highly profitable scale.

Platforms also generate value by opening previously unused (or less frequently used) markets. In addition, online platforms reduce transaction costs by streamlining the actual transaction; for example, buyers and sellers use a standardized transaction method that simplifies interactions with buyers and reduces the risk that the buyer will not pay.

For example, before the rise of e-commerce, secondhand products could be sold at garage sales or in classified newspaper advertisements. E-commerce created a process for allowing buyers and sellers to trade goods digitally, reducing transaction costs and creating a global marketplace for used, but too often counterfeit, products.

Another way platforms generate value is by aggregating information and reducing search costs. A buyer may search for a product, either by keyword or product category, at lower search cost than visiting brick-and-mortar stores. Because of this, sellers on digital platforms have consumer visibility well beyond the seller's natural geographical sales area.

In addition, consumers who have made a purchase may use tools provided by the marketplace to rate the product and the seller involved. These ratings create an important mechanism to facilitate future consumer trust in an otherwise unknown seller.

In principle, such a rating system provides a key to overcoming a common economic problem that might otherwise preclude sales: without a low-cost trust building feature that also communicates quality, and in a market with significant numbers of low-quality products, buyers may refuse to purchase any product at all, or would demand a lower price to reflect the uncertainty. One frequent result is that low cost counterfeits drive out high quality, trusted brands from the online marketplace. In practice, even the ratings systems across platforms have been gamed, and the proliferation of fake reviews and counterfeit goods on third-party marketplaces now threatens the trust mechanism itself.

Lower Startup and Production Costs

The relative ease of setting up and maintaining e-commerce websites makes online marketplaces a prime locale for the retailing of counterfeit and pirated goods. E-commerce retailers enjoy low fixed costs of setting up and maintaining web businesses and lower costs for carrying out normal business operations such as managing merchant accounts. These ventures can be set up quickly without much sophistication or specialized skills.

Some online platforms allow retailers to use pre-made templates to create their stores while other platforms only require that a seller create an account. These businesses face much lower overhead costs than traditional brick-and-mortar sellers because there is no need to rent retail space or to hire in-person customer-facing staff. Not only can counterfeiters set up their virtual storefronts quickly and easily, but they can also set up new virtual storefronts when their existing storefronts are shut down by either law enforcement or through voluntary initiatives set up by other stakeholders such as market platforms, advertisers, or payment processors.

In the production stage, counterfeiters keep costs low by stealing product secrets or technological knowledge, exploiting new production technologies, and distributing operations across jurisdictions. One method involves employees who sell trade secrets to a third party who, in turn, develops and sells counterfeit products based on the stolen secrets. Another method relies on an intermediary to steal a firm's product or technology. The use of intermediaries reduces the traceability to the counterfeiter.

Counterfeiting and piracy operations also take advantage of new low-cost production technologies. For example, the technological advances in modeling, printing and scanning technologies such as 3D printing reduce the barriers for reverse engineering and the costs of manufacturing counterfeit products.

Lower production costs can also be achieved through distributed production operations. One method involves manufacturing the counterfeit good in a foreign market to lower the chances of detection and to minimize legal liability if prosecuted. This can be combined with importation of

the counterfeit labels separately from the items, with the labels being applied to the products after both items arrive in the U.S.

In addition, it is much cheaper to manufacture illicit goods because counterfeit and pirated goods are often produced in unsafe workplaces with substandard and unsafe materials by workers who are often paid little—and sometimes nothing in the case of forced labor. Moreover, in the case of goods governed by Federal health and safety regulations, it often costs much less to produce counterfeit versions that do not meet these health and safety standards.

Lower Marketing Costs

Businesses that use only an internet presence as their consumer-facing aspect typically enjoy lower costs of designing, editing, and distributing marketing materials. Counterfeiters also benefit from greater anonymity on digital platforms and web sites and greater ease to retarget or remarket to customers. For example, counterfeiters use legitimate images and descriptions on online platforms to confuse customers, and they open multiple seller accounts on the platform so that if one account is identified and removed, the counterfeiter can simply use another.

The popularity of social media also helps reduce the costs of advertising counterfeit products. The nature of social media platforms has aided in the proliferation of counterfeits across all e-commerce sites. Instagram users, for example, can take advantage of connectivity algorithms by using the names of luxury brands in hashtags. Followers can search by hashtag and unwittingly find counterfeit products, which are comingled and difficult to differentiate from legitimate products and sellers.

Lower Distribution Costs

Traditionally, many counterfeit goods were distributed through swap meets and individual sellers located on street corners. With the rise of online platforms for shopping, customers can have products delivered to them directly.

Foreign entities that traffic in counterfeits understand how to leverage newer distribution methods better suited to e-commerce than the traditional trade paradigm (i.e., imports arriving via large cargo containers with domestic distribution networks). Today, mail parcel shipments, including through express consignments, account for more than 500 million packages each year.[16] Seizures in the small package environment made up 93 percent of all seizures in 2018, a 6 percent increase over 2017. From 2012 to 2016, the number of seizures from express consignment carriers increased by 105 percent, and the MSRP of those seizures had a 337 percent increase.[17] In contrast, seizures from cargo decreased by 36 percent from FY17 to FY18.

[16] https://www.cbp.gov/sites/default/files/assets/documents/2019-Apr/FY%202017%20Seizure%20Stats%20Booklet%20-%20508%20Compliant.pdf p. 14
[17] https://www.gao.gov/assets/690/689713.pdf?mod=article_inline p. 14

The International Chamber of Commerce found that counterfeiters use international air packages because the high volume of these packages makes enforcement more difficult.[18] A recent report by the OECD points out that distributing counterfeits across a series of small packages spreads the risk of detection, and lowers the loss from having one or more shipments seized, suggesting that losses to the counterfeiter on an ongoing basis would be within a tolerable range.[19]

The OECD report also notes that it is harder for authorities to detect counterfeits in small parcels than in shipping containers because cargo containers making entry at a maritime port provide customs officials with more information, well in advance of arrival. Moreover, the effort required for CBP to seize a shipment does not vary by size of the shipment, meaning that a package of a few infringing goods requires the same resources to seize as a cargo container with hundreds of infringing goods.

Section 321 of the Tariff Act of 1930 has likewise encouraged counterfeiters to favor smaller parcel delivery. Under Section 321, a foreign good valued at or less than $800 and imported by one person on one day is not subject to the same formal customs entry procedures and rigorous data requirements as higher-value packages entering the United States. This reduced level of scrutiny is an open invitation to exploit Section 321 rules to transport and distribute counterfeits.

Rules set by the Universal Postal Union (UPU) have historically contributed to the distortion in rates for delivery of international e-commerce purchases to the United States.[20] UPU reimbursement rates have underpriced domestic postage rates for small parcels. This market distortion made it cheaper for small package exports to the United States. from certain countries than would otherwise be economically feasible and has encouraged the use of the international postal mode over other shipment channels. The United States recently scored a historic victory when the UPU overhauled its terminal dues system[21], effectively eliminating this outdated policy.[22]

Consumer Attitudes and Perceptions

The sale of counterfeits away from so-called "underground" or secondary markets (e.g. street corners, flea markets) to e-commerce platforms is reshaping consumer attitudes and perceptions. Where in the past, consumers could identify products by relying on "red flag" indicators—such as a suspicious location of the seller, poor quality packaging, or discount pricing—consumers are now regularly exposed to counterfeit products in settings and under conditions where the articles appear genuine.

While the risks of receiving a counterfeit may have been obvious to a consumer purchasing items on street corners, with the rise of online platforms, it is not so obvious anymore. For example, it is

[18] https://cdn.iccwbo.org/content/uploads/sites/3/2015/03/ICC-BASCAP-Roles-and-Responsibilities-of-Intermediaries.pdf p. 32
[19] OECD/EUIPO (2018), *Misuse of Small Parcels for Trade in Counterfeit Goods: Facts and Trends, Illicit Trade*, OECD Publishing, Paris. https://doi.org/10.1787/9789264307858-en p. 77
[20] The UPU is a specialized agency of the United Nations that coordinates postal policies between 190 countries. Importantly, these treaties determine the cost of shipping between the various countries and offers low rates to mail originating from abroad, as compared to domestic postage rates.
[21] Universal Postal Union (2019), *Decisions of the 2019 Geneva Extraordinary Congress*, http://www.upu.int/uploads/tx_sbdownloader/actsActsOfTheExtraordinaryCongressGenevaEn.pdf
[22] https://www.nytimes.com/2019/09/25/business/universal-postal-union-withdraw.html

unlikely that anyone would set out to purchase a counterfeit bicycle helmet given the potential safety risks; however, such items are readily available to unsuspecting consumers on e-commerce websites.

Reports indicate that some third-party marketplace listings falsely claim to have certifications with health and safety standards or offer items banned by federal regulators or even the platforms themselves. Coupled with the inability of buyers to accurately determine the manufacturer or the origin of the product, it is challenging for buyers to make informed decisions in the e-commerce environment.

In 2017, MarkMonitor found that 39 percent of all unwitting purchases of counterfeit goods were bought through online third-party marketplaces.[23] Sellers on large well-known platforms rely on the trust that those platforms hosting of the marketplace elicits. The results of this survey indicate that bad actors selling counterfeit goods on legitimate online platforms erodes trust in both the brands and the platforms themselves.

In 2018, Incopro conducted a survey focusing on United Kingdom (UK) consumers who had unwittingly purchased counterfeit goods and how their perceptions of online marketplaces were affected as a result.[24] The results of this survey show that 26 percent of respondents reported that they had unwittingly purchased counterfeits. Of these, 41 percent reported that they had never received a refund after reporting a seller to online marketplaces.

In addition, roughly one-third of respondents reported that they would be less likely to buy a widely counterfeited product from an online marketplace while 46 percent reported no longer using a particular online marketplace after receiving counterfeit goods. Respondents also reported that, when trying to differentiate between genuine and counterfeit products, they consider online reviews along with the reputation of online marketplaces.

These recent findings, against the larger backdrop of the e-commerce environment, demonstrate the immediacy of the problem as consumer confidence and brand integrity continue to suffer in the realm of online third-party marketplaces.

Top Products Prone to Counterfeiting and Piracy

Counterfeiters sell fake goods as authentic goods — for example, a copy of a Louis Vuitton bag or Rolex watch fraudulently sold as the "real thing." Counterfeiters use identical copies of registered trademarks without the authorization of the rightful owner.

Piracy typically refers to the act of copying a protected work (such as a book, movie, or music) without the consent of the rights holder or person duly authorized by the rights holder.

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[23]MarkMonitor (2017). *MarkMonitor Online Barometer: Global online shopping survey 2017 – consumer goods.* Downloaded from https://www.markmonitor.com/download/report/MarkMonitor_Online_Shopping_Report-2017-UK.pdf. p. 6

[24]INCOPRO, 2018. Counterfeit Products are Endemic – and it is damaging brand value: INCOPRO Market Research Report available at https://www.incoproip.com/cms/wp-content/uploads/2018/11/2018_Incopro_Market-Research-report.pdf.

were between 2 million and 2.6 million jobs in 2013, with job displacement expected to double by 2022.

Counterfeit goods also damage the value of legitimate brands. When brand owners lose the ability to collect a price premium for branded goods, it leads to diminished innovation as brand owners are less likely to invest in creating innovative products. Legitimate companies, and particularly small businesses, report devastating impacts due to the abundance of competing online counterfeits and pirated goods. Moreover, while e-commerce platforms can benefit legitimate businesses by helping them to reach customers with a new product, the same process and technology also makes it easier for unscrupulous firms to identify popular new products, produce infringing versions of them, and sell these illicit goods to the business's potential customers.

As previously noted, the speed at which counterfeiters can steal intellectual property through e-commerce can be very rapid. If a new product is a success, counterfeiters may attempt to immediately outcompete the original seller with lower-cost counterfeit versions — while avoiding research and development costs. The result: counterfeiters may have a significant competitive advantage in a very short period of time over those who sell trusted brands.

Such fast-track counterfeiting poses unique and serious problems for small businesses, which do not have the same financial resources as major brands to protect their intellectual property. Lacking the ability to invest in brand-protection activities, such as continually monitoring e-commerce platforms to identify illicit goods, perform test buys, and send takedown notices to the platforms, smaller businesses are more likely to experience revenue losses as customers purchase counterfeit versions of the branded products.

In many cases, American enterprises have little recourse aside from initiating legal action against a particular vendor. Such legal action can be extremely difficult. Many e-commerce sellers of infringing products are located outside the jurisdiction of the United States, often in China; existing laws and regulations largely shield foreign counterfeiters from any accountability.

Organized Crime and Terrorism

The impact of counterfeit and pirated goods is broader than just unfair competition. Law enforcement officials have uncovered intricate links between the sale of counterfeit goods and transnational organized crime. A study by the Better Business Bureau notes that the financial operations supporting counterfeit goods typically require central coordination, making these activities attractive for organized crime, with groups such as the Mafia and the Japanese Yakuza heavily involved.[33] Criminal organizations use coerced and child labor to manufacture and sell counterfeit goods. In some cases, the proceeds from counterfeit sales may be supporting terrorism and dictatorships throughout the world.[34]

[33] https://www.bbb.org/globalassets/local-bbbs/st-louis-mo-142/st_louis_mo_142/studies/counterfeit-goods/BBB-Study-of-Counterfeit-Goods-Sold-Online.pdf

[34] United Nations Office of Drugs and Crime (UNODC), *Focus On: The Illicit Trafficking of Counterfeit Goods and Transnational Organized Crime*, available at: https://www.unodc.org/documents/counterfeit/FocusSheet/Counterfeit_focussheet_EN_HIRES.pdf

National Security

One of the greatest threats counterfeits pose to national security is their entry into the supply chain of America's defense industrial base. This defense industrial base includes both private sector contractors and government agencies, particularly the Department of Defense.

In FY 2018, 12 percent of DHS seizures included counterfeit versions of critical technological components, automotive and aerospace parts, batteries, and machinery. Each of these industrial sectors have been identified as critical to the defense industrial base, and thus critical to national security. One example drawn from a 2018 study by the Bureau of Industry and Security within the Department of Commerce featured the import of counterfeit semiconductors or "Trojan chips" for use in defense manufacturing and operations[35]. Such Trojan chips can carry viruses or malware that infiltrate and weaken American national security. The problem of counterfeit chips has become so pervasive that the Department of Defense has referred to it as an "invasion." Companies from China are the primary producers of counterfeit electronics.[36]

5. How E-Commerce Facilitates Counterfeit Trafficking

While e-commerce has supported the launch of thousands of legitimate businesses, e-commerce platforms, third-party marketplaces, and their supporting intermediaries have also served as powerful stimulants for the trafficking of counterfeit and pirated goods. The central economic driver of such trafficking is this basic reality: Selling counterfeit and pirated goods through e-commerce platforms and related online third-party marketplaces is a highly profitable venture.

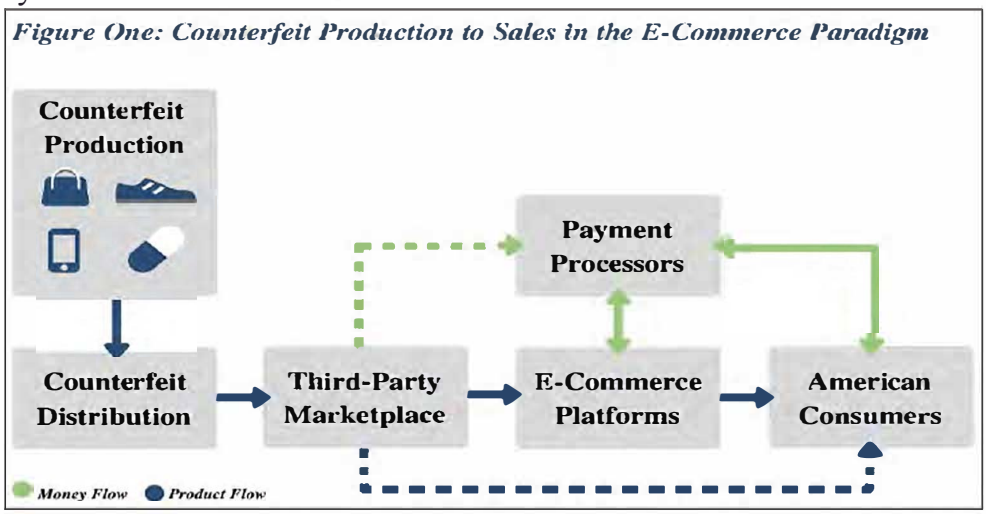
For counterfeiters, production costs are low, millions of potential customers are available online, transactions are convenient, and listing goods on well-known platforms provides an air of legitimacy. When sellers of illicit goods are in another country, they are also exposed to relatively little risk of criminal prosecution or civil liability under current law enforcement and regulatory practices. It is critical that immediate action be taken to protect American consumers and other stakeholders against the harm and losses inflicted by counterfeiters.

[35] https://www.bis.doc.gov/index.php/documents/technology-evaluation/37-defense-industrial-base-assessment-of-counterfeit-electronics-2010/file

[36] Saunders, Gregory and Tim Koczanksi, "Counterfeits," *Defense Standardization Program Journal*, October/December 2013. https://www.dsp.dla.mil/Portals/26/Documents/Publications/Journal/131001-DSPJ.pdf

Figure One provides a simplified overview of how counterfeit products move from production by counterfeiters to sales to American consumers:

Figure One: Counterfeit Production to Sales in the E-Commerce Paradigm



Counterfeit Production and Distribution

The counterfeit sales process begins with some type of production capability for the counterfeit good. In this stage, counterfeiters enjoy enormous production cost advantages relative to legitimate businesses. Counterfeits are often produced in unsafe workplaces, with substandard and unsafe materials, by workers who are often paid little or sometimes nothing in the case of forced labor.

In the case of goods subject to federal health and safety regulations, it costs much less to produce counterfeit versions that do not meet these health and safety requirements that make the legitimate products so safe.

Counterfeiters likewise minimize the need for incurring significant research and development expenditures by stealing intellectual property, technologies, and trade secrets. They also shave production costs using inferior ingredients or components.

For example, a common way for counterfeiters to produce *fake* prescription opioids like Oxycontin, or a prescription drug like Viagra, is to start with the *real* pills as a basic ingredient. These real pills are then ground up into a powder, diluted with some type of (sometimes toxic) powder filler, and then "spiked" with an illegal and deadly narcotic like fentanyl, in the case of fake opioids, or illegal and deadly amphetamines or strychnine, in the case of Viagra.

In the case of apparel, such as running shoes, employees from a legitimate branded company may leave the company and set up their own facility. These employees have the expertise to manufacture identical-looking shoes; but they will typically do so with cheaper, inferior components. The result: the shoes may fail during activity, injure the user with an inferior insole, or, at a minimum, wear out faster than the real product.[37]

[37]Department of Homeland Security, U.S. Customs and Border Protection, "CBP Seizes Over $2.2 Million worth of Fake Nike Shoes at LA/Long Beach Seaport," 9 October 2019. https://www.cbp.gov/newsroom/local-media-release/cbp-seizes-over-22-million-worth-fake-nike-shoes-lalong-beach-seaport

The technological advances in modeling, printing, and scanning technologies such as 3D printing, have also significantly reduced the barriers for reverse engineering and the costs of manufacturing counterfeit products. Again, one problem that may arise may be the use of inferior production inputs that lead to product failure.

These are just a few of the many ways counterfeits begin their long journey into American households. There is often no way for legitimate businesses to compete, on a production cost basis, with counterfeiters. There is also often no way for a consumer to tell the difference between a counterfeit and legitimate good.

Third-Party Marketplaces and Counterfeiter Websites

A counterfeiter seeking to distribute fake products will typically set up one or more accounts on third-party marketplaces, and these accounts can often be set up quickly and without much sophistication or many specialized skills. Under such circumstances, it is axiomatic that online retailers face much lower overhead costs than traditional brick-and-mortar sellers. There is no need to rent retail space or to hire in-person, customer-facing staff.

In a common scenario, third-party marketplace websites contain photos of the real product, fake reviews of the counterfeit product, and other such disinformation designed to mislead or fool the consumer into believing the legitimacy of the product. The proliferation of such disinformation is the hallmark of the successful online counterfeiter. Such deception not only provides counterfeiters with an enormous competitive advantage over their brick-and-mortar counterparts; legitimate sellers on the internet are harmed as well.

In some cases, counterfeiters hedge against the risk of being caught and their websites taken down from an e-commerce platform by preemptively establishing multiple virtual store-fronts. A key underlying problem here is that on at least some e-commerce platforms, little identifying information is necessary for a counterfeiter to begin selling. In the absence of full transparency, counterfeiters can quickly and easily move to a new virtual store if their original third-party marketplace is taken down.

The popularity of social media also helps proliferate counterfeits across various e-commerce platforms. Instagram users, for example, can take advantage of connectivity algorithms by using the names of luxury brands in hashtags. Followers can search by hashtag and unwittingly find counterfeit products, which are comingled and difficult to differentiate from legitimate products and sellers.

According to a 2019 report, *Instagram and Counterfeiting*, nearly 20 percent of the posts analyzed about fashion products on Instagram featured counterfeit or illicit products.[38] More than 50,000 Instagram accounts were identified as promoting and selling counterfeits, a 171 percent increase from a prior 2016 analysis. Instagram's Story feature, where content disappears in twenty-four hours, was singled out as particularly effective for counterfeit sellers.

[38]Stroppa, Andrea, *et al*., "Instagram and counterfeiting in 2019: new features, old problems," *Ghost Data*, 9 April 2019. Rome, New York. https://ghostdata.io/report/Instagram_Counterfeiting_GD.pdf

A more recent development on social media is the proliferation of "hidden listings" for the sale of counterfeits. Social media is used to provide direct hyperlinks in private groups or chats to listings for counterfeit goods that purport to be selling unrelated legitimate items. By accessing the link, buyers are brought to an e-commerce platform which advertises an unrelated legitimate item for the same price as the counterfeit item identified in the private group or chat. The buyer is directed to purchase the unrelated item in the listing but will receive the sought-after counterfeit item instead.

Order Fulfillment in E-Commerce

The foreign counterfeiter must first choose between sending a package either by express consignment carrier or through the international post. As a general proposition, express consignment shippers — such as DHL Express, Federal Express, and the United Parcel Service — were subject to data requirements before they were extended to the international posts.

In the next step along the delivery chain, a parcel will arrive at a port of entry under the authority of CBP. Millions of parcels arrive daily, and it is impossible to inspect more than a very small fraction.

Although ocean shipping is still a major mode of transport for counterfeits, the rapid growth of other modes, such as truck and air parcel delivery, threaten to upend established enforcement efforts, and as such, is increasingly used by international counterfeiters. This continued shift from bulk cargo delivery to other modes by counterfeiters is illustrated in the trends in seizure statistics.

It is clear from these observations that counterfeit traffickers have learned how to leverage newer air parcel distribution methods that vary from the traditional brick-and-mortar retail model (for example, imports arriving via large cargo containers with domestic distribution networks). This is an issue that must be directly addressed by firm actions from CBP.

Section 321 De Minimis Exemption and Counterfeit Trafficking

Under Section 321 of the Tariff Act of 1930, as amended by the Trade Facilitation and Trade Enforcement Act of 2015 (TFTEA) , articles with a value of $800 or less, imported by one person on one day, can be admitted free of duty and taxes. Under 19 CFR § 10.151 and 19 CFR part 143, Subpart C, those importations are often not subject to the same formal customs procedures and rigorous data requirements as higher-value packages entering the United States. Instead, the low-value shipments can be admitted into U.S. commerce with the presentation of a bill of lading or a manifest listing each bill of lading and a limited data set. The relatively limited nature of the data requirements complicates the identification of high-risk goods by CBP and other enforcement agencies. Under 19 CFR § 143.22, CBP has existing authority to require formal entry (and the complete data set for any shipment) for any merchandise, if deemed necessary for import admissibility enforcement purposes; revenue protection; or the efficient conduct of customs business.

9. Assess Contributory Trademark Infringement Liability for E-Commerce

Online platforms have avoided civil liability for contributory trademark infringement in several cases. Given the advance and expansion of e-commerce, DHS recommends that the Department of Commerce consider the following measures:

- Assess the state of liability for trademark infringement considering recent judicial opinions, and the impact of this report—including platforms' implementation of the best practices directed herein.

- Seek input from the private sector and other stakeholders as to the application of the traditional doctrines of trademark infringement to the e-commerce setting, including whether to pursue changes in the application of the contributory and/or vicarious infringement standards to platforms.

10. Re-Examine the Legal Framework Surrounding Non-Resident Importers

Currently, non-resident importers can legally enter goods into the United States provided they have a "resident agent" as defined in regulation. In practice, it can be difficult to compel non-resident importers to pay civil penalties and respond to other enforcement actions available to the USG. With this in mind, DHS should reevaluate the legal framework for allowing non-resident importers in the Section 321 *de minimis* low-value shipment environment.

11. Establish a National Consumer Awareness Campaign

Given the critical role that consumers can play in the battle against online counterfeiting, DHS recommends the development of a national public-private awareness campaign. The national public awareness campaign recommended by DHS should involve platforms, rights holders, and the applicable government agencies to provide education for consumers regarding the risks of counterfeits as well as the various ways consumers can use to spot counterfeit products. At present, many consumers remain uninformed as to the risks of buying counterfeit and pirated products online. These risks are both direct to them (e.g., tainted baby food), as well as indirect (e.g., sales revenues can fund terrorism).

Many consumers are also unaware of the significant probabilities they face of being defrauded by counterfeiters when they shop on e-commerce platforms. As this report has documented, these probabilities are unacceptably high and appear to be rising. Even those consumers motivated to conduct research and stay informed might lack the specialized knowledge and efficient user tools to make diligent online buying decisions.

A strong and ongoing national campaign to increase public awareness about the risks of counterfeits in an e-commerce world should help alert consumers about the potential dangers of some online purchases. To the extent e-commerce platforms empower their consumers to participate in the monitoring and detection of counterfeits, e.g., by implementing several of the best practices recommended in this report, this will also help in the fight against the trafficking in counterfeit and pirated goods.

This effort could use technology as well as provide online education. For example, online marketplaces could prominently display messages on their home pages, as well as on high-risk item pages, warning customers about the dangers of counterfeits and urging respect for intellectual property rights. Additionally, the campaign could be paired with technologically-enabled assurances of authenticity. Such an approach would provide commercial advantages to the platforms that adopt it while also benefiting consumers and rights holders through reliable methods to identify and certify the authenticity of branded products across online platforms.

8. Private Sector Best Practices

The following table catalogs a set of high priority "best practices" that should be swiftly adopted by e-commerce platforms that operate third-party marketplaces, and other third-party intermediaries. Under the authority of the Secretary of the Department of Homeland Security, these best practices shall be recommended and communicated to all relevant private sector stakeholders by the ICE/HSI-led IPR Center.

It shall be a duty of the IPR Center to encourage, monitor, and report on the adoption of, and the progress and effectiveness of, these best practices, through all means necessary within the scope of the legal authority of DHS and the Federal Government.

Best Practices for E-Commerce Platforms and Third-Party Marketplaces
1. Comprehensive "Terms of Service" Agreements
2. Significantly Enhanced Vetting of Third-Party Sellers
3. Limitations on High Risk Products
4. Efficient Notice and Takedown Procedures
5. Enhanced Post-Discovery Actions
6. Indemnity Requirements for Foreign Sellers
7. Clear Transactions Through Banks that Comply with U.S. Enforcement Requests
8. Pre-Sale Identification of Third-Party Sellers
9. Establish Marketplace Seller IDs
10. Clearly Identifiable Country of Origin Disclosures

1. Comprehensive "Terms of Service" Agreements

It is critical that platforms require all third-party sellers to sign comprehensive and stringent terms of service agreements that maximize the authorities of the platforms to combat counterfeit

trafficking. Terms of service agreements will provide platforms with an important legal means to combat counterfeit trafficking

Most obviously, these terms of service should incorporate explicit prohibitions on selling counterfeit and pirated goods. Once the platform has affirmatively detected infringement on a seller profile, the actions listed below under the category of "post-discovery actions" should be allowed under the terms and taken swiftly.

The terms of service should also list the potential repercussions sellers face for violations. Generally, these repercussions should allow platforms to impose sanctions such as suspension, termination, and debarment without waiting for a determination by a court for sellers who violate the terms of the agreement. The terms should include escalating capabilities to suspend, terminate, and debar counterfeit traffickers and their affiliates.

Specifically, they should allow the platform to conduct, at a minimum, the following actions in response to violations or identified risk factors in the seller's profile and product postings without waiting for a determination by a court:

> (1) terminate or suspend a seller account based on the use or reference to a username that is confusingly similar to a registered trademark;
>
> (2) take down or suspend and keep down individual product postings based on the misuse of photographs, logos, external links to infringing content, certain coded messages with actual intellectual property references removed, or imbedded offers to manufacture; and
>
> (3) allow for an escalating enforcement structure that results in (for major infractions and/or repeat minor infractions) permanent removal of the seller, and any known related seller profiles, from the marketplace feature of the platform and further results in forfeiture and destruction of all offending goods in warehouses or fulfillment centers operated by, or under the control of, the platform.

To maximize platform authorities, and as explained further below, such terms of service should also allow platforms to impose appropriate limitations on products listed, require clearly identifiable country of origin disclosures, impose U.S. banking and indemnity requirements, and significantly improve pre-sale identification of third-party sellers.

2. Significantly Enhanced Vetting of Third-Party Sellers

Significantly enhanced vetting of third-party sellers is one of the most effective forms of due diligence platforms can engage in to reduce the risk of counterfeits entering the e-commerce stream. Platforms should have a uniform and articulable vetting regime to determine if a seller will be allowed to list products for sale.

To facilitate enhanced vetting, platforms should, at a minimum, require the following:

(1) sufficient identification of the seller, its accounts and listings, and its business locations prior to allowing the seller to list products on the platform;

(2) certification from the seller as to whether it, or related persons, have been banned or removed from any major e-commerce platforms, or otherwise implicated in selling counterfeit or pirated products online; and

(3) acknowledgment, where applicable, that the seller is offering trademarked products for which the seller does not own the rights (either because they are a reseller or seller of used products).

Information provided by potential sellers should also be vetted for accuracy, including through the following efforts:

(1) use of technological tools, as well as analyses of historical and public data, to assess risk of sellers and products; and

(2) establishment of an audit program for sellers, concentrating on repeat offenders and those sellers exhibiting higher risk characteristics.

Any failure to provide accurate and responsive information should result in a determination to decline the seller account and/or to hold the seller in violation of the platform's terms of service.

3. Limitations on High Risk Products

Platforms should have in place protocols and procedures to place limitations on the sale of products that have a higher risk of being counterfeited or pirated and/or pose a higher risk to the public health and safety. For example, some of the major platforms completely prohibit the sale of prescription medications by third-party sellers in their marketplaces. Many platforms also ban the sale of products that are known to be particularly vulnerable to counterfeiting and that pose a safety risk when sold online. Examples include car airbag components, infant formula, and new batteries for cellular phones.

Platforms can also place other types of restrictions on third-party sellers before certain high-risk categories of goods may be sold. For example, some platforms require prior approval for items such as automotive parts, jewelry, art, food, computers, sports collectibles, DVDs, and watches that are particularly prone to counterfeiting.

Platforms should prominently publish a list of items that may not be sold on third-party marketplaces under any circumstances (prohibited), as well as a list of items that can only be sold when accompanied by independent third-party certification (restricted). In constructing these lists, platforms should consider, among other things, whether a counterfeit version of the underlying product presents increased risks to the health and safety of U.S. residents or the national security of the United States. When a seller claims their merchandise has an independent third-party certification, and this certification is required in order for the product to be legally offered for sale

in the United States, platforms should make good-faith efforts to verify the authenticity of these certifications.

4. Efficient Notice and Takedown Procedures

Notice and takedown is the most common method of removing counterfeit listings from third-party marketplaces and e-commerce platforms. This noticing process can be particularly time-consuming and resource-intensive for rights holders who currently bear a highly disproportionate share of the burden of identifying the counterfeit listings for noticing.

These rights holders must invest significant resources to scour millions of listings across multiple platforms to identify potentially counterfeit listings and notify the third-party marketplace or e-commerce platform. This kind of comprehensive policing of e-commerce often is not possible for smaller enterprises.

As a further burden, some third-party marketplaces require rights holders to buy the suspected products from the sellers to verify that they are in fact counterfeit. There often is a delay of a day or longer between the time that notice is provided, and the time listing is removed. During this period, counterfeiters may continue to defraud American consumers.

To address these abuses — and assume a much greater share of responsibility for the policing of e-commerce — platforms should create and maintain clear, precise, and objective criteria that allow for quick and efficient notice and takedowns of infringing seller profiles and product listings. An effective regime should include, at a minimum, the following: (1) minimal registration requirements for an interested party to participate in the notice and takedown process; (2) reasonable rules that treat profile owners offering large quantities of goods on consumer-to-consumer platforms as businesses; and (3) transparency to the rights holders as to how complaints are resolved along with relevant information on other sales activity by the seller that has been implicated.

5. Enhanced Post-Discovery Actions

Upon discovery that counterfeit or pirated goods have been sold, platforms should conduct a series of "post-discovery" actions to remediate the fraud. These should include:

(1) notification to any buyer(s) likely to have purchased the goods in question with the offer of a full refund;

(2) notification to implicated rights holders, with details of the infringing goods, and information as to any remaining stock of the counterfeit and pirated goods held in warehouses;

(3) implementation of practices that result in the removal of counterfeit and pirated goods within the platform's effective control and in a manner that prevents such goods from re-entering the U.S. or being diverted to other markets; and

(4) immediate engagement with law enforcement to provide intelligence and to determine further courses of action.

6. Indemnification Requirements for Foreign Sellers

For a large portion of e-commerce, foreign sellers do not provide security or protection against a loss or other financial burden associated with the products they sell in the United States. Because these sellers are located outside the United States, they also may not be subject to the jurisdiction of U.S. courts in civil litigation or government enforcement actions. Further adding to this liability gap, there is this: while e-commerce platforms generally have a U.S. presence and are under U.S. jurisdiction, under the current interpretations of American laws and regulations, they are often found not to be liable for harm caused by the products they sell or distribute.

The result of this jurisdictional and liability gap is that consumers and rights holders do not have an efficient or predictable form of legal recourse when they are harmed by foreign products sold on third-party marketplaces. Accordingly, e-commerce platforms should require foreign sellers to provide some form of security in cases where a foreign product is sold to a U.S. consumer. Such form of security should be specifically designed to cover the potential types and scope of harm to consumers and rights holders from counterfeit or pirated products.

Note that there are several ways that platforms might flexibly achieve this goal. For example, requiring proof of insurance would provide a form of security for any reasonably foreseeable damages to consumers that might flow from the use of the product. Rights holders could also be compensated in cases of infringement.

7. Clear Transactions Through Banks that Comply with U.S. Enforcement Requests

Many foreign sellers on third-party marketplaces do not have a financial nexus to the United States, making it difficult to obtain financial information and to subject all parts of the transaction to U.S. law enforcement efforts.

Platforms should close this loophole by encouraging all sellers to clear transactions only with banks and payment providers that comply with U.S. law enforcement requests for information and laws related to (relevant to) the financing of counterfeit activity.

8. Pre-Sale Identification of Third-Party Sellers

Stakeholders have, at times, reported that buyers have been surprised to discover upon completion of an online sales transaction, that the order will be fulfilled by an unknown third-party seller and *not* the platform itself. Without addressing the separate legal question of whether this comprises deceptive action *per se*, at least some buyers may have made different purchasing decisions if they

had known, prior to purchase, the identity of the third-party "storefront" owner, and/or the party ultimately responsible for fulfilling the transaction.

To increase transparency on this issue, platforms should significantly improve their pre-sale identification of third-party sellers so that buyers can make informed decisions, potentially factoring in the likelihood of being sold a counterfeit or IPR infringing merchandise. Platforms should implement additional measures to inform consumers, prior to the completion of a transaction, of the identity of storefront owners and/or those responsible for fulfilling a transaction, as well as any allegations of counterfeits being sold by a particular seller. On the converse, if a particular seller is a licensed reseller of the product, this information should also be provided.

Even if this information may be currently available, firm steps should be taken to ensure that this information is featured prominently in product listings. This will prompt greater consumer awareness and lead to more informed decision-making.

9. Establish Marketplace Seller IDs

Platforms generally do not require a seller on a third-party marketplace to identify the underlying business entity, nor to link one seller profile to other profiles owned by that same business, or by related businesses and owners. In addition, the party that appears as the seller on the invoice and the business or profile that appears on the platform to be the seller, may not always be the same. This lack of transparency allows one business to have many different profiles that can appear unrelated. It also allows a business to create and dissolve profiles with greater ease, which can obfuscate the main mechanism that consumers use to judge seller credibility, namely reviews by other buyers.

Platforms should require sellers to provide the names of their underlying business or businesses (if applicable), as well as any other related seller profiles owned or controlled by that seller or that clear transactions through the same merchant account. Platforms can use this seller ID information in three helpful ways:

First, to communicate to the consumer a more holistic view of "who" is selling the goods, allowing the consumer to inspect, and consult reviews of, all related seller profiles to determine trustworthiness. Second, linking all related sellers together will assist rights holders in monitoring who is selling goods that they believe to be infringing. Third, the platform can use the connections to other seller profiles to better conduct its own internal risk assessment, and make risk mitigation decisions (e.g., requiring cash deposits or insurance) as appropriate based on the volume and sophistication of the seller.

10. Clearly Identifiable Country of Origin Disclosures

Brick-and-mortar retail stores are required to have labels on their products that clearly identify the country or countries of origin. No such requirement applies to online e-commerce.

Exhibit 3

Fighting China's counterfeits in the online era

Xinhua | Updated: 2017-09-19 14:20

BEIJING - A secret team in Chinese e-commerce giant Alibaba has the task of pretending to be online consumers who test-buy purchases from the billion-plus products on its platforms.

They spot check about 100,000 products and invest around 100 million yuan ($15.15 million) a year on average. Around one in four online shops are checked annually.

"Spot checks are not random. They are guided by big data from our platforms," said team leader Qin Seng. Using product ratings, consumer disputes and other information, the team builds a model to identify suspected counterfeits and shops that sell counterfeits.

The whole process is videoed to retain evidence. The sample purchases are sent to rights holders or authoritative quality inspection agencies. If identified as fake, the products are removed from the platform. The vendors can face the closure of their online shops. If identified as genuine products, they are stored as Alibaba's assets.

Alibaba's Storehouse of Counterfeit Evidence is a 300-square-meter warehouse in Alibaba Group's Xixi Park, in Hangzhou, Zhejiang province. Counterfeits can be stored there for more than three years as legal evidence.

The spot checks are symptomatic of China's battle against counterfeits in the internet era.

Chai Haitao, deputy director of the Office of National Leading Group of the Fight against IPR Infringement and Counterfeiting, said that with the rapid development of China's internet economy, infringements and counterfeits are constantly renewed.

"We need to strengthen cross-sector, cross-regional, and cross-border cooperation to combat counterfeits. We also need to mobilize enterprises, industry organizations and the public," Chai said.

Alibaba's Anti-Counterfeiting Special Task Force, formed last year, actively works with local law enforcement agencies, said Qin Seng.

"After we clean up online shops selling counterfeits, the counterfeiters usually change their identities and places of dispatch, using more covert means to continue selling online," Qin said.

The team uses big data to identify counterfeits and the vendors, affiliated dealers and factories suspected of producing or selling counterfeit items. They pass evidence to the public security, administration of commerce and industry, quality inspection, food and drug supervision and other law enforcement agencies. At the same time, they investigate the evidence in the field.

The team faces many risks in their offline probes.

"Most counterfeiting dens are hidden and well-organized. For example, we encountered a village producing counterfeits. The villagers installed cameras everywhere and when they saw outsiders entering, they became vigilant and even threatened us," Qin said.

Alibaba's cooperation with local authorities to locate counterfeit sources has proved effective. They have partnerships with the public security bureaus of 13 provinces.

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Timeline of policy supports for the rental home market

Q&A With CEO

In 2016, Alibaba submitted 1,184 leads to law enforcement agencies; helped public security bureaus arrest 880 suspects; assisted in the closure of 1,419 counterfeit manufacturing locations; and helped seize merchandise worth more than 3 billion yuan ($455 million).

In August, with evidence from Alibaba, police in Loudi, Hunan province, broke up a ring producing and selling counterfeit weight-loss drugs, with a sales network in more than 20 provinces. Total trade by the ring exceeded 100 million yuan ($15.15 million).

In the eyes of Sun Jungong, vice president of Alibaba, spot checks and data-driven proactive monitoring protect a good shopping environment on the platform itself, while cooperation with law enforcement agencies shows effective collaborative governance.

"We hope to take advantage of Alibaba's big data and strong data-mining capabilities. By expanding offline cooperation, we aim to tackle this issue at its source," Sun said.

Professor Wang Xin, of Peking University Law School, said the rapid development of China's e-commerce platforms and the emergence of new online shopping models have provided more sales channels for fake goods.

Wang said China has made great efforts in recent years to stamp out intellectual property right (IPR) infringements, by improving laws and setting up specialist IPR courts.

However, the penalties for counterfeit producers and sellers are not enough of a deterrent, Wang conceded. Many counterfeit makers receive suspended sentences or fines.

He suggested recidivists should be banned from entering the market again forever.

Alibaba's analysis has also found some online consumers buy counterfeits knowingly.

Sun Jungong said raising awareness among consumers is essential to fight counterfeiting.

"Everyone can do their bit to stop counterfeit goods. If society reaches a consensus, as with drink-driving, we are more likely to tackle this problem," Sun said.

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Alibaba wins more battles in anti-counterfeit war

Alibaba sets up alliance to track fake goods via big data

Photo


Serving in the name of progress


Behind an advertising vision

Special

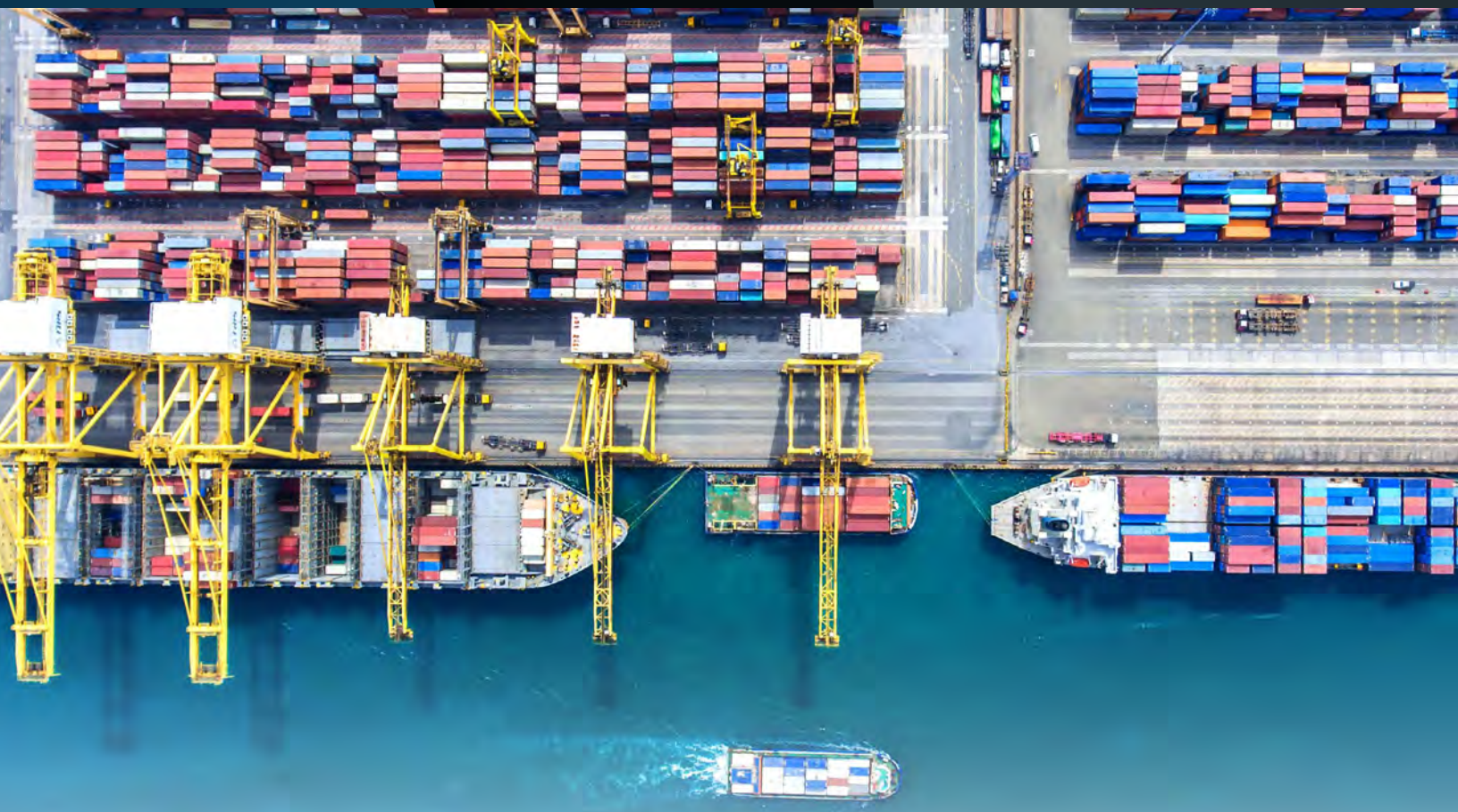


2017 Summer Davos


China's Q1 economic data

Exhibit 4

Intellectual Property Rights Seizure Statistics



U.S. Customs and Border Protection

Fiscal Year 2021


HONOR
FIELD OPERA

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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.


MERCEDES-MPV

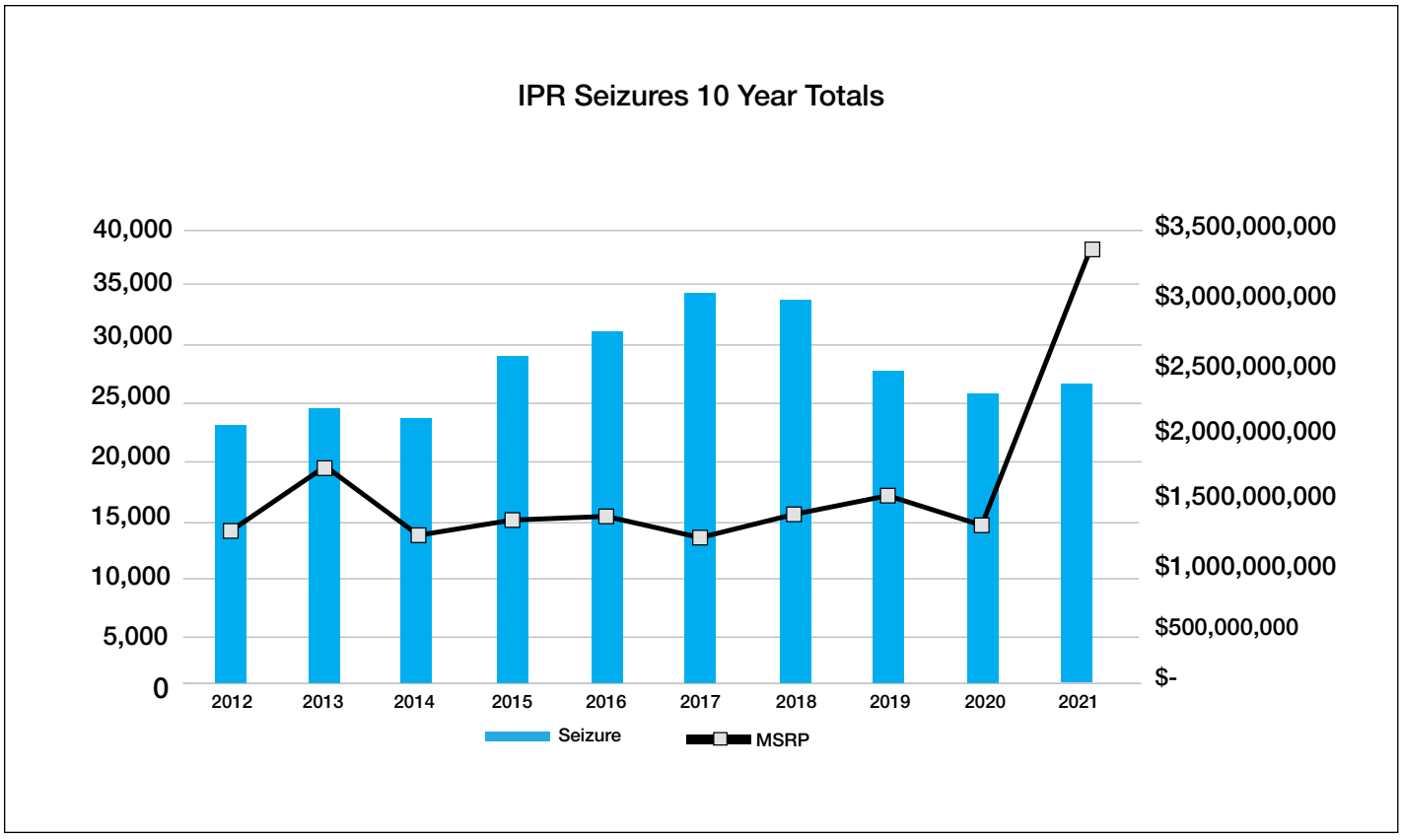

POLICE
U.S. CUSTOMS AND
BORDER PROTECTION
POLICE

Executive Summary

U.S. Customs and Border Protection focuses its trade enforcement efforts on seven Priority Trade Issues (PTI). PTIs represent high-risk areas that can cause significant revenue loss, harm the U.S. economy, or threaten the health and safety of the American people. Current PTIs include **Intellectual Property Rights (IPR)**, which protect American Intellectual Property by interdicting violative goods and leveraging enhanced enforcement authorities.

Trade in illegitimate goods is associated with smuggling and other criminal activities, and often funds criminal enterprises. CBP protects the intellectual property rights of American businesses, safeguarding them from unfair competition and use for malicious intent while upholding American innovation and ingenuity. CBP works with many partner government agencies and the trade community to mitigate the risks posed by imports of such illicit goods.

FY 2021 was another successful year for IPR enforcement. CBP made over 27,000 seizures (i.e., 102,490 seizure lines) with an estimated manufacturer's suggested retail price (MSRP) of over $3.3 billion, which represents an increase of 152% over the previous Fiscal Year, when goods valued at $1.3 billion MSRP were seized for IPR violations. CBP also received and responded to **711** inquiries from the field concerning IPR enforcement in **FY 2021**.



Counterfeit Commodity Spotlight – Cell Phones and Accessories

Almost all of Americans now own a cell phone of some kind[1]. The percentage of Americans that own a smartphone is now 85%, up from just 35% in Pew Research Center's survey of smartphone ownership first conducted in 2011[2]. Production of goods such as smartphones, smartphone batteries, and chargers, is knowledge intensive and the industry relies heavily on technologies that are IPR-protected. Thus, the growing prevalence of such items not only intensifies IP dependence, but also makes it a lucrative target for counterfeiters. The Organisation for Economic Co-operation and Development's report in 2017 found that nearly one in five mobile phones shipped internationally is fake[3]. Mobile phones, their accessories and components are among the top categories of fake goods seized by customs authorities and sold in great numbers during sales events such as Black Friday and Cyber Monday[4]. In addition, such counterfeits have been recently exploiting the global supply shortage in semiconductor chips. It is worth noting that the global shortage of semiconductor chips is linked to the high demand for digital services and manufacturing problems emerged during the COVID-19 pandemic[5]. Counterfeiters can exploit this demand and shortage in supply by using counterfeit semiconductors such as diodes in the market. As semiconductors are integral in many areas, e.g., healthcare, transport, and defense, the risk of private electronics such as mobile phones and accessories being affected is also high[6].





In FY 2021, CBP seized over **1,895** shipments of counterfeit cell phones and accessories. The seized merchandise is estimated to have a Manufacturer's Suggested Retail Price of over **$64 million**. A closer look at CBP statistics shows that most of the counterfeits originated from Hong Kong and China.

Further, the number of seizures occurred in the express consignment and cargo environment combined accounted for more than 90 percent of the total IPR seizures of cell phones and accessories for FY 2021.

In addition to the negative economic impacts that such counterfeit mobile phones and accessories pose to the public, there are also notable non-economic impacts that negatively impact society. First, counterfeit mobile phones pose significant health and safety risks. Such devices may contain levels of chemicals such as lead and cadmium that often exceed established safety standards. In some cases, the values were 35-40 times higher than the globally accepted limits for lead[7]. CBP, citing an investigation conducted by the Government Accountability Office, previously reported a 99 percent failure rate in 400 counterfeit adapters tested for safety,

1 Pew Research Center, "Mobile Fact Sheet," https://www.pewresearch.org/internet/fact-sheet/mobile/, April 7, 2021.
2 *Id.*
3 "One in five mobile phones shipped abroad is fake," Organization for Economic Co-operation and Development, March 28, 2017, One in five mobile phones shipped abroad is fake - OECD and accompanying Report (OECD 2017 Report).
4 "Counterfeit and pirated goods get boost from pandemic, new report confirms," European Union Agency for Law Enforcement and Cooperation (Europol), March 7, 2022, https://www.europol.europa.eu/media-press/newsroom/news/counterfeit-and-pirated-goods-get-boost-pandemic-new-report-confirms and accompanying report (EUROPOL 2022 IPR Threat Report).

Counterfeit Commodity Spotlight – Cell Phones and Accessories

fire, and shock hazards, and found that 12 of such adapters posed a risk of lethal electrocution to the user[8]. In addition, counterfeit electronic devices may also include malware and other harmful software, adding the risk of data theft[9].

To avert such dangers, consumers should purchase from reputable sources and professional resellers should be aware that counterfeit parts may be part of the supply chain.

FY 2021 IPR Seizures – Cell Phones and Accessories

Source Country	Seizure Lines	% of Total
Hong Kong	1,118	59.0%
China	606	32.0%
South Africa	33	1.7%
Malaysia	18	0.9%
United States	17	0.9%
All Other Countries	103	5.4%
Grand Total	**1,895**	**100.0%**

FY 2021 MSRP of IPR Seizures – Cell Phones and Accessories

Source Country	MSRP	% of Total
China	$ 39,183,693	60.7%
Hong Kong	$ 22,105,010	34.2%
Malaysia	$ 2,005,387	3.1%
United Arab Emirates	$ 432,091	0.7%
Vietnam	$ 236,485	0.4%
All Other Countries	$ 623,225	1.0%
Grand Total	**$64,585,891**	**100.0%**





5 See EUROPOL 2022 IPR Threat Report at 12.
6 *Id.*
7 "International Telecommunication Union's ITU-T Technical Report," International Telecommunication Union, December 11, 2015, https://www.itu.int/dms_pub/itu-t/opb/tut/T-TUT-CCICT-2015-PDF-E.pdf, at 10.
8 "Combatting Trafficking in Counterfeit and Pirated Goods," CBP, January 24, 2020, https://www.dhs.gov/sites/default/files/publications/20_0124_plcy_counterfeit-pirated-goods-report_01.pdf, at 10.
9 See EUROPOL 2022 IPR Threat Report at 12.


MAKRITE 9500-N95
TC-84A-5411
NIOSH N95


伊力佳
伊维菌素片
Ivermectin Tablets
中农华威制药股份有限公司
Agrichina Pharmaceutical Co.,Ltd

COVID-19 Spotlight

In FY 2021, CBP continued to target and seize illegal imports of counterfeit, unapproved, or otherwise substandard COVID-19 related products that threatened the health and safety of American consumers. These seizures included 38,154 Food and Drug Administration-prohibited COVID-19 test kits, just over 35 million counterfeit face masks and 8,677 Food and Drug Administration-prohibited hydroxychloroquine tablets. Fifty-three percent of the seizures occurred in the express consignment environment, 18 percent were discovered in incoming mail and roughly 31 percent originated in China. CBP also collaborated with partner government agencies to expedite medical supplies and personal protective equipment through the customs clearance process, while working to identify and intercept fraudulent, unapproved, or otherwise substandard material

FY 2021 Overall COVID- 19 Related Seizure Totals
As of 10/1/2021

Product	Total Seizures	Quantity
Covid-19 Test Kits	53	38,154
Antibody Test Kits	9	1,063
Masks	670	35,092,178
Chloroquine	10	1,810
Hydroxychloroquine	59	8,677
Azithromycin	32	2,141
Lianhua Qingwen	17	17,567
Respirator/Ventilator	1	27
Hand Sanitizers	2	150,001
Virus Shut-Out Lanyards	1	30,000
Vaccination Cards	734	21,314

CBP's COVID-19 Cargo Resolution Team (CCRT), is comprised of a network of subject matter experts from across the agency. The CCRT triaged incoming requests from importers and customers; coordinated with federal, state, and local government agencies; facilitated inbound shipments through ports of entry; expedited importation of critical medical supplies; and responded directly to inquiries about the importation of personal protective equipment, COVID-19 test kits, ventilators, and other medical supplies.



In FY 2021, the CCRT was responsible for expediting shipments of the COVID-19 vaccine and related vaccine materials. The CCRT worked closely with several importers and other government agencies to ensure the vaccine and vaccine materials were released with minimal delay. During the FY 2021, the CCRT also responded to 939 questions from the trade community and facilitated the clearance of 788 Operation Warp Speed (OWS) shipments.

To read more about CBP's efforts during the pandemic, please visit *https://www.cbp.gov/newsroom/coronavirus*


U.S. CUSTOMS AND BORDER PROTECTION
FIELD OPERATIONS
PRINCESS
POWER
FINE
4EVER

Operational and Enforcement Highlights

Components of CBP's Integrated Trade Targeting Network conducted 4 national level IPR Trade Special Operations and 76 local IPR Trade Special Operations in FY 2021. These operations targeted high-risk shipments at seaports, airports, rail facilities, international mail facilities and express carrier hubs across the United States. The IPR Trade Special Operation is an important tactic used by CBP to gather intelligence on how counterfeiters are shipping product to the U.S. The operations also disrupt these nefarious supply chains and lead to criminal investigations by Homeland Security Investigations.





In FY 2021, IPR Trade Special Operations resulted in seizures worth an estimated $21 million dollars in MSRP. Importantly, Trade Special Operations often result in seizures of products that may be both counterfeits and violations of other import safety laws. Examples are prohibited food products and unapproved pharmaceuticals.

IPR Enforcement Training

Part of the Office of Trade's responsibilities include training CBP field personnel in identifying suspect imports, making infringement determinations, and following proper IP border enforcement procedures. In FY 2021, despite the travel restrictions caused by the COVID-19 pandemic, the Office of Trade conducted more advanced IP enforcement training sessions than in FY 2020, reaching 8 out of the 10 Centers of Excellence and Expertise, including the Pharmaceutical, Health and Chemical CEE, to which Regulations and Rulings provided instruction on IP enforcement relating to COVID-19 specific products, and to CBP officers (CBPO) s stationed at the ports of entry with the highest volume of trade. The training continues to raise the profile of IPR issues: from FY 2019 to FY 2020 the number of requests from CBP Officers and Importer Specialists for pre-seizure IPR enforcement advice



from attorney-advisors in the Regulations and Rulings Directorate increased by 20% compared to FY 2019. In FY 2021 the number of pre-seizure requests rose even more steeply, increasing 57% from FY 2020, totaling over 700 requests.

CBP Partnerships

CBP works with partner government agencies to facilitate legitimate trade that supports economic growth and shields the American public and businesses from unsafe products, intellectual property theft, and unfair trade practices.

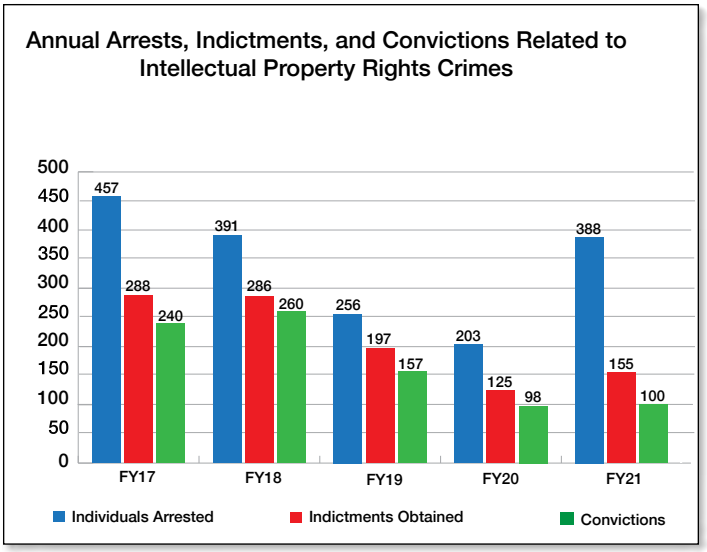
Immigration and Customs Enforcement (ICE) – Homeland Security Investigations (HSI)
CBP and ICE-HSI identify cases in which third-party intermediaries have demonstrably directed, assisted financially, or aided and abetted the importation of counterfeit merchandise. In coordination with the Department of Justice, CBP and ICE-HSI seek all available statutory authorities to pursue civil fines and other penalties against these entities, including remedies under 19 U.S.C. § 1526(f), as appropriate.

CBP and ICE-HSI mitigate the welfare and financial risks posed by imports of illicit products. In FY 2021, ICE-HSI arrested 388 individuals, obtained 155 indictments, and received 100 convictions related to intellectual property crimes.

Collaboration Spotlight: In partnership with CBP, HSI launched *Operation Stolen Promise* (OSP) in April 2020 to protect the Homeland from the increasing and evolving threat posed by COVID-19- related fraud and criminal activity. As part of OSP, CBP Officers and HSI special agents have opened investigations nationwide, seized millions of dollars in illicit proceeds; made multiple arrests; and shut down thousands of fraudulent websites. Specifically, OSP during its year aimed to focus on three areas: combating the illegal import and sale of counterfeit and substandard products; detecting and deterring financial fraud scams; and preventing the exploitation of relief and stimulus programs.

One year after its inception in April 2020, OSP has yielded significant results, both statistically and in terms of the impact the initiative has on protecting the health and safety of the American public. This work has kept counterfeit and substandard goods out of the medical and consumer supply chains while ensuring violators are held accountable for their criminal efforts to exploit the pandemic for profit.

In total, this operation has yielded 3,131 COVID-19 related seizures that included prohibited COVID-19 Test Kits, Prohibited Pharmaceuticals, Counterfeit Masks and more. OSP has resulted in 362 Criminal Arrests,



31 Convictions, and a total of $54.7 million USD of illicit proceeds seized. The operation has also led to 110 seizures of counterfeit vaccines, with 49 cases initiated and 15 criminal arrests made.

As the public demand for access to vaccines and treatments grow, so do illegal attempts to introduce counterfeit versions of these items into U.S. marketplace. As such, *Operation Stolen Promise 2.0* has been launched to expand the focus of OSP to address the emerging public health threat of counterfeit versions of COVID-19 vaccines and treatments entering the marketplace. OSP 2.0 will focus on tackling new and evolving public health threats posed by the sale and distribution of counterfeit and/or unauthorized vaccines and treatments.

HSI will continue to partner with CBP to seize mislabeled, fraudulent, unauthorized, and prohibited COVID-19 test kits, treatment kits, homeopathic remedies, and personal protective equipment (PPE).



CBP Partnerships



CBP Partnerships

The United States Postal Service (USPS)
USPS is responsible for presenting mail and providing electronic data (AED) to CBP for arriving international mail parcels. USPS and CBP have worked to target and identify 31 violations imported through international mail. Both agencies are implementing new strategies for leveraging the AED already available to identify offending merchandise.

Collaboration Spotlight: *Operation Mega Flex* is a CBP-led, interagency effort that was initiated in July 2019 to ensure compliance and assess illicit networks in the international mail environment through periodic enhanced inspections. CBP conducts Mega Flex operations in close coordination with ICE, the U.S. Postal Inspection Service, and the U.S. Food and Drug Administration (FDA) to detect, intercept, and seize illicit goods arriving in small parcels from China.

For example, most seizures out of Memphis were counterfeit drivers' licenses. These shipments originated from China and were shipped to various locations throughout the United States. CBP learned that many of the shipments were smuggled in the bottom of boxes containing tassels, clothing, and even bundles of synthetic hair[10]. Further, in just one day in October 2020, CBPOs in LAX International Mail Facility (IMF) intercepted 812 shipments containing counterfeit footwear, handbags, wearing apparel, prohibited plant and animal products, and other items that threaten the health and safety of American consumers and undermine the competitiveness of U.S. businesses[11]. Similarly, CBP's New York Field Office, home to two IMF's, John F. Kennedy International Airport (the largest IMF in the United States), and the Port of New York/Newark, and its partners also inspected more than 4,000 shipments and seized 127 shipments for IPR violations[12].

On average, CBP processes more than 420,000 parcels of mail from China each day. Throughout *Operation Mega Flex*, CBP found that more than 13 percent of targeted shipments contain counterfeit goods or contraband items.





10 See https://www.cbp.gov/newsroom/local-media-release/cbp-memphis-seizes-nearly-200-shipments-through-operation-mega-flex.
11 See https://www.cbp.gov/newsroom/local-media-release/operation-mega-flex-stops-hundreds-illicit-made-china-shipments-lax.
12 See https://www.cbp.gov/newsroom/local-media-release/cbp-new-york-field-office-seizes-127-ipr-violations-during-operation.

CBP Partnerships

The National Intellectual Property Rights Coordination Center (IPR Center)
The IPR Center, in collaboration with CBP, stands at the forefront of the United States government's response to combatting global intellectual property (IP) theft and enforcement of its international trade laws.

Collaboration Spotlight: *Operation Team Player* is an ongoing annual operation that begins after every Super Bowl and continues through the next one, targeting international shipments of counterfeit sports merchandise into the United States. This operation is run by the IPR Center in collaboration with CBP, the National Football League, and other major sports leagues to prevent the illegal importation and distribution of counterfeit sports merchandise.

Super Bowl LV was played on February 7, 2021, at Raymond James Stadium in Tampa, Florida. CBP and ICE HSI announced the seizure of more than 267,511 counterfeit sports-related items, worth an estimated $97.8 million manufacturer's suggested retail price (MSRP), through a collaborative enforcement operation targeting international shipments of counterfeit merchandise into the United States. They seized items such as fake jerseys, hats, rings, t-shirts, jackets, tickets, souvenirs, and thousands of other sports related memorabilia prepared to be marked as legitimate and authentic items.

Due to COVID-19, much of the illegal activity moved online, which refocused partner government agency efforts more towards commercial websites engaged in the illegal sale and distribution of counterfeit goods.

Commercial Customs Operations Advisory Committee (COAC)
The private sector plays an instrumental role in the global economy and has a unique opportunity to lend their considerable expertise to CBP. By partnering with industry leaders, CBP links our processes with modern business practices, which results in enhanced compliance with trade laws, improves our facilitation and enforcement efforts, and assists the U.S. economy. CBP's engagement with its federal advisory committee, the COAC, is a key component in evaluating and adapting CBP policies and getting feedback about significant proposed changes.

CBP has been able to adopt and implement recommendations presented by the COAC IPRWG. As of January 2021, CBP began concurrently issuing the notice of seizure (NOS) and initiating publication of the notice of intent to forfeit on all seized shipments with a domestic value less than $2,500. Although publication is advanced, all interested parties are afforded the same opportunity to respond to the NOS as they had under previously existing procedures. Additionally, CBP announced that effective June 7, 2021, NOS will be emailed to rights holders via the email addresses provided to CBP through the IPR e-Recordation program. Delivery of seizure notices via email allows for instantaneous notification to the rights holder. Issuing electronic NOS has increased the speed at which the trade community received the necessary information and allowed for instantaneous sharing of the information with the rights holder. It has also benefited CBP as it reduced the cost of mailing such notices. This paperless approach aligns with CBP's continuous effort to improve resource efficiency. CBP looks forward to further engagement with the COAC.






AirPods
Wireless Charging Case


Cialis
tadalafil
Cialis
tadalafil
Cialis
tadalafil



Help CBP Protect American Ingenuity

Donations Acceptance Program
Pursuant to Section 308(d) of the *Trade Facilitation and Trade Enforcement Act* of 2015, P.L. 114-125, CBP enacted regulations at 19 C.F.R. §133.61, setting forth policies and procedures for accepting donations from private sector parties of hardware, software, equipment, and technologies for IPR enforcement purposes. These regulations are consistent with the CBP Commissioner's FY 2021 priority to identify, detect, and interdict high-risk shipments through partnerships.

Since 19 C.F.R. §133.61 went into effect in January 2018, DAP has fully executed five formal IPR enforcement partnerships with Procter & Gamble, Otter Products, Cisco Systems, Apple Inc., and Nike Inc. To date, 214 product authentication tools have been deployed to 70 locations. More importantly, these partnerships are demonstrably benefiting CBP's frontline and yielding a positive return on investment for its partners.

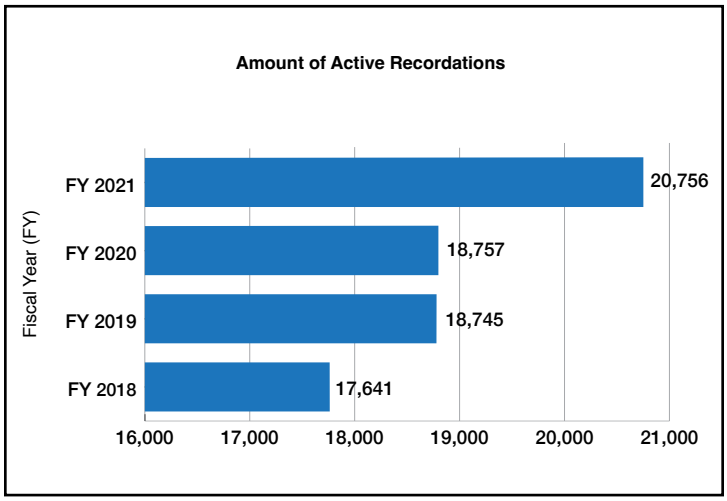
Intellectual Property Rights e-Recordation
CBP concentrates its IPR border enforcement on federally registered trademarks and copyrights that have been recorded with CBP by their owners using the Intellectual Property Rights e-Recordation (IPRR) system, https://iprr.cbp.gov/. All trademark and copyright recordations are contained in a secure proprietary database accessible by CBP personnel at all 328 ports of entry. Product ID manuals provided by rights holders are also linked to the database and used by CBP in making IPR border enforcement determinations. In FY21, CBP added over 2,000 recordations to their enforcement database. As of September 30, 2021, CBP was enforcing 20,758 active recorded copyrights and trademarks.

Intellectual Property Rights e-Allegations
Information on potential IPR infringements can be submitted to CBP using the e-Allegations Online Trade Violation Reporting System at https://eallegations.cbp.gov/s/ or by calling 1-800-BE-ALERT.

The e-Allegation program provides an electronic portal through which the trade community and the public can report suspected trade violations to CBP. The e-Allegation process enables CBP, in collaboration with the partners, to protect our economy from the effects of unfair trade practices and guard against the entry of products that could pose a threat to health and safety.

In addition to IPR violations, there are other types of trade violations, such as forced labor violations, duty evasion violations, and shipping violations. For more information on various types of trade violations, visit https://www.cbp.gov/trade/e-allegations.

Intellectual Property Rights Search
CBP works closely with rights holders in making IPR enforcement determinations. A public database of both active and inactive recordations is available using a search engine called the Intellectual Property Rights Search (IPRS) at http://iprs.cbp.gov/.



e-Allegations by Fiscal Year (FY)

Fiscal Year (FY)	Amount of IPR (Counterfeit Trademark & Piratical Copyright) e-Allegations	Total Number of e-Allegations received that FY
2018	324	1,162
2019	264	1,252
2020	360	1,290
2021	407	1,743


DON'T TOY AROUND WITH COUNTERFEITS.
COUNTEREITS ARE UNSAFE. ONLY TRUST REPUTABLE SOURCES.
The risks of shopping online aren't always obvious. Be informed about the dangers of counterfeit goods.
Fake Goods. Real Dangers.
www.CBP.gov/fakegoodsrealdangers
U.S. Customs and Border Protection

Exclusion Orders and Outreach

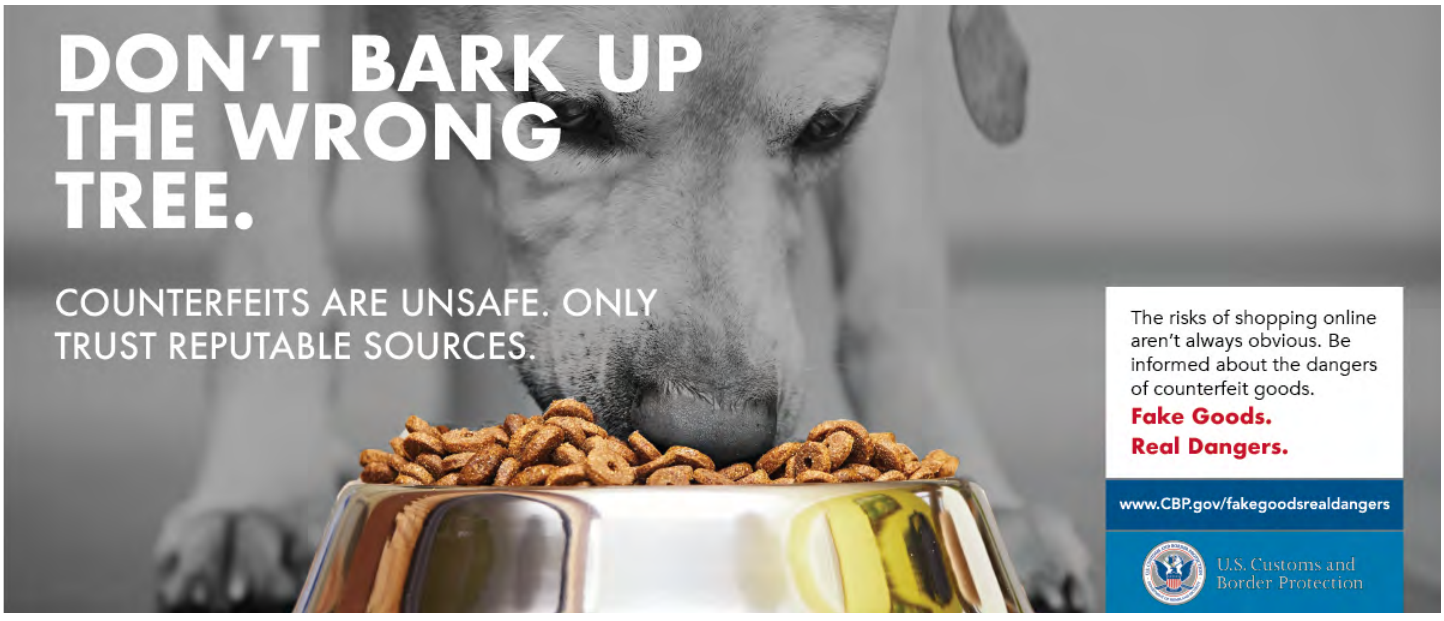
Exclusion Orders
CBP enforces exclusion orders issued by the International Trade Commission (ITC). Most ITC exclusion orders are patent based. The ITC issues both limited and general exclusion orders. Limited exclusion orders apply only to infringing articles of named respondents. General exclusion orders bar the entry of infringing articles by all.

Exclusion orders prohibit the entry of all covered articles, even if they were not specifically accused and found to infringe by the ITC. Once excluded, subsequent importations of the same articles by the same importer are subject to seizure.

- Exclusion Orders – for FY 2021:
  - Seizures correctly citing 19 USC 1337(i): 81 cases
  - Seizure Est. MSRP: $1,930,683.
  - Total Active Exclusion Orders: "At the end of FY 2021, CBP was administering 128 active exclusion orders issued by the U.S. International Trade Commission following investigations of unfair import practices in the importation of articles into the United Sates in violation of 19 U.S.C. § 1337."

Public Awareness Campaign
In FY 2021, CBP continued the *Truth Behind Counterfeits* IPR Public Awareness Campaign intended to educate the public of many harms associated with the purchase of counterfeit goods. The goal of the campaign is to increase consumer conscientiousness by making people aware that buying counterfeits is not a victimless crime and to encourage them to shop from legitimate and trustworthy sources. Due to COVID-19, CBP pivoted its consumer education campaign to leverage existing digital platforms and utilize relationships with trade associations to bring awareness to the dangers of counterfeit goods. This included the use of traditional media avenues as well as CBP's social media presence (Twitter, Facebook, and Instagram) and updating CBP's IPR website (*https://www.cbp.gov/trade/priority-issues/ipr*) and the *Truth Behind Counterfeits* standalone webpage (*https://cbp.gov/trade/fakegoodsrealdangers)*.

Asia Pacific Economic Cooperation
In February 2021, at the Asia Pacific Economic Cooperation (APEC) Subcommittee on Customs Procedures (SCCP) meeting that was hosted virtually by New Zealand, CBP presented the results of the COVID-19 joint enforcement effort that took place from November 10 to December 10, 2020. This operation helped participating economies with the identification, interdiction, and deterrence of counterfeit COVID-19 related items and had participation from eight APEC economies (Australia, Japan, Mexico, New Zealand, Papua New Guinea, Peru, Thailand, and the United States). Following on this effort, the United States and Peru conducted a joint enforcement COVID-19 focused operation in June 2021 to assess IPR trends since the previous operation. Both the U.S. and Peru presented their results to the APEC SCCP at the virtual meeting held in August 2021.



Outreach: CBP/U.S. Chamber of Commerce Memorandum of Understanding

On May 26, 2021, CBP entered a novel memorandum of understanding (MOU) with the U.S. Chamber of Commerce (Chamber) that outlines general terms of connecting resources and sharing information to stop the flow of counterfeit goods. This memorandum of understanding establishes a first-of-its-kind framework for public-private collaboration on combatting counterfeit and pirated goods. The MOU consists of four pillars:

1. **Outreach:** CBP and the Chamber agreed to support outreach efforts related to bringing awareness to the public about the dangers of counterfeit goods. During the holiday season of 2021, CBP and the Chamber participated in a joint holiday campaign, the Shop Smart Campaign, which included a media blitz that reached an audience of over 83 million people.
2. **CBP IPR Statistics Data Sharing:** CBP provides exclusive IPR seizure statistics on a quarterly basis to the Chamber. CBP has provided all the FY2021 Quarterly IPR statistics.
3. **Training:** CBP and the Chamber have agreed to provide bi-directional training to each of their relevant personnel/members.
4. **Data Pilot:** CBP is conducting a data sharing pilot with three of the Chamber's member companies, with the hopes of expanding the pilot to include other companies in the future. The current pilot serves as an opportunity to establish best practices for IPR data sharing with the private sector. It also offers CBP the ability to test the viability of data sharing with major brands to better target and seize imports of counterfeit and pirated goods and other IPR violative merchandise.

Information sharing between CBP and the U.S. Chamber of Commerce strengthens CBP's ability to defend intellectual property standards that generate American jobs, save lives, and enhance our economic prosperity The MOU enhances CBP's abilities to effectively target and intercept substandard, illegitimate goods and protect American ingenuity.



Outreach: The Year of the Small and Medium Sized Enterprises Webinar Series



In FY 2021 CBP launched a webinar series directed to small and medium enterprises entitled 'The Year of the Small and Medium Sized Enterprises (SME)'. *https://www.cbp.gov/trade/priority-issues/ipr/cbp-year-sme*. The series of webinars focused on topics concerning how SMEs can work with CBP to help prevent imports of merchandise that infringes their IPR. During FY 2021, CBP hosted four webinars that reached 1200 members of the SME trade community. These webinars focused on how SMEs could protect their ingenuity from infringing imports, what to do after registering your mark with CBP, and e-commerce businesses.

Due to this outreach, CBP has seen a rise in the number of recordation applications by trademark and copyright owners of small and medium sized businesses. This has reinforced that the CBP recordation program is a powerful tool for SMEs in combatting infringing importations.



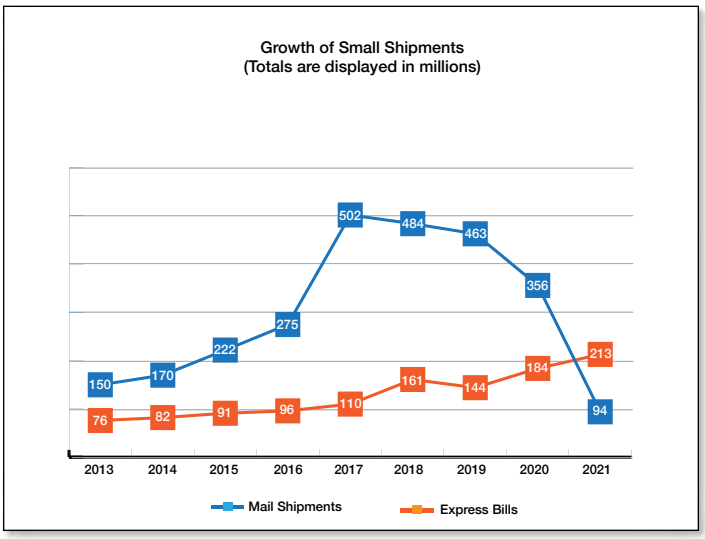

KEEP AWAY
K072
D78

IPR and E-Commerce

E-commerce is a growing segment of the economy of the U.S. It made up 10.7% of the total retail sales in 2019 at $578.5 billion U.S. dollars (USD) and subsequently accounted for 14% of the total retail sales in 2020 amounting to $792 billion USD[13]. In 2020 alone, e-commerce sales in the U.S. grew over 40% and reached $791.8 billion USD in value[14].

During the second quarter of 2021, the U.S. retail e-commerce sales were estimated at $222.5 billion, an increase of 3.3 percent from the first quarter of 2021[15]. The second quarter 2021 e-commerce estimate increased at 9.1 percent from the second quarter of 2020. E-commerce sales in the second quarter of 2021 accounted for 13.3 percent of total sales[16]. In FY 2021, CBP processed 213 million express shipments and 94 million international mail shipments.

Such growing trends comes with many challenges. While e-commerce shipments pose the same health, safety, and economic security risks as containerized shipments, due to the complex and dynamic nature of the industry, CBP lacks full visibility into the e-commerce supply chain. The overwhelming volume of small packages also makes CBP's ability to identify and interdict high risk packages difficult. Further, vague and inaccurate electronic data provided by certain trade entities poses significant challenge when targeting shipments.



In response to the increasing challenges in the e-commerce environment, CBP has been focusing its effort to improve trade risk management by working closely with the trade community. Going into its second year, CBP continues to operate two test pilot programs, the Section 321 Data Pilot and the Entry Type 86 Test and is now looking to formalize the success of these two pilot programs.

Section 321 Data Pilot

Initiated in 2019, the Section 321 Data Pilot is a voluntary collaboration with online marketplaces, carriers, technology firms, and logistics providers to secure e-commerce supply chains and protect American consumers. CBP is conducting this test for two reasons: the first is to determine the feasibility of requiring advance data from different types of parties; and the second is to determine the feasibility of requiring additional data that is generally not required under current regulations to effectively identify and target high-risk shipments in the e-commerce environment. To further evaluate the Section 321 Data Pilot program and the risks associated with Section 321 *de minimis* shipments, in August 2021, CBP announced in the *Federal Register* its plan to extend the current test program through August 2023.

Since the establishment of the program in 2019, CBP has experienced significant operational benefits. Specifically, along with the administrative ruling issued in July 2020[17], this pilot program better positions CBP to identify duty evasions and other abuses consistent with current statutory authorities and helps create a more predictable enforcement environment for trade. This ruling also provides CBP with important foreign seller information with which to target and interdict counterfeit products, consumer safety violations, and other threats before they enter the U.S. For the owner or purchaser to qualify as the "person" under Section 321, importers are required to provide the first and last name of the owner or purchaser, or the name of the business.

Entry Type 86 Test

In September 2019, CBP also launched a voluntary test of a Section 321 *de minimis* commercial entry process

13 "2019 E-Stats Report: Measuring the Electronic Economy," U.S. Census Bureau, August 5, 2021, https://www.census.gov/newsroom/press-releases/2021/e-estats-report-electronic-economy.html.
14 "Monthly Retail Trade," U.S. Census Bureau, https://www.census.gov/retail/index.html.
15 "Quarterly Retail E-Commerce Sales – 2nd Quarter 2021," U.S. Census Bureau, August 19, 2021, https://www.census.gov/retail/mrts/www/data/pdf/ec_current.pdf.
16 *Id.*

through the creation of the new Entry Type 86. The Entry Type 86 Test allows customs brokers and self-filers to electronically submit *de minimis* entries through the Automated Broker Interface, including those subjects to partner government agency (PGA) data requirements for clearance. This new entry type aimed to improve import safety and security by providing greater visibility into low value shipments for both CBP and PGAs while ensuring regulatory requirements are met. Creation of the new informal entry type 86 allows for customs brokers and self-filers to electronically submit entries with a limited data set that is exempt from duty, taxes and fees.



Documented Benefits of Section 321 Data Pilot and Entry Type 86 Test

In FY 2021, CBP received 524 million filings on *de minimis* shipments (182 million Section 321 Data Pilot; 342 million Entry Type 86). In the fourth quarter of fiscal year 2020, CBP received Section 321 Data Pilot data on nearly 25% of all non-mail *de minimis* shipments. Similarly, Entry Type 86 filings accounted for almost 50% of all non-mail *de minimis* shipments. The two pilot programs have also shown significant operational benefits when pilot participants provided seller information, product pictures, and other transactional details. First, the programs led to more predictable and consistent enforcement environment for low-risk shipments and trusted trade partners. Second, obtaining advance data elements significantly reduced CBP workload with same-day clearance compared to the previous six- to eight-day wait times. Further, advance information led to fewer CBP holds and improved overall security, including mitigating risks associated with the importation of potential counterfeit test kits, medical devices, and personal protective equipment related to COVID-19.

Pilot participants also experienced fewer holds. One platform experienced 97% fewer holds from when they first began transmitting data. Another platform also experienced 90% fewer holds. In addition to such operational benefits, feedback received in a CBP survey revealed that pilot participants saw an estimated $2 billion USD in time and cost savings associated with the Entry Type 86 Test.

Informed Compliance Efforts

While administering the two pilot programs, CBP has made significant efforts to engage with the trade community and to inform stakeholders of the Section 321 administrative ruling and its implications. In addition to engaging with the ETF, CBP's E-commerce Branch and Office of Trade Relations actively connect with the trade community in various fora. For example, CBP holds quarterly public meeting with the Advisory Committee on Commercial Operations (COAC), a group of private sector stakeholders selected to advise the Secretaries of the Department of Treasury and the Department of Homeland Security on the commercial operations of CBP (recordings of part meetings: *https://www.cbp.gov/trade/stakeholder-engagement/coac/coac-public-meetings*. To reach wider foreign sellers and shippers and inform them of the administrative ruling issued in July 2020, the branch also translated and issued the ruling in Chinese (*https://www.cbp.gov/sites/default/files/assets/documents/2021-Apr/1%20Administrative%20Ruling%20One-Pager%20Mandarin%20Translation.pdf*). Lastly, CBP participated in numerous webinars and online trainings to inform the public the latest regulations and available resources (*https://www.cbp.gov/trade/stakeholder-engagement*).

CBP understands the importance of working closely with the trade community to achieve its objectives, especially when implementing new administrative rulings. CBP has been engaged with the trade community throughout this dynamic process and will continue to work with not only the traditional players, but also foreign stakeholders who will be affected by the Section 321 administrative ruling.

17 CBP issued an administrative ruling that clarified whether importations made by a nonresident importer in one day and sent to a U.S. fulfillment facility or warehouse may qualify for informal duty-free entry under 19 U.S.C. § 1321(a)(2)(c). The administrative ruling when into effect on July 28, 2020 and was published in the Customs Rulings Online Search System (CROSS) on July 31, 2020. See *https://rulings.cbp.gov/search?term=H290219&collection=ALL&sortBy=RELEVANCE&pageSize=30&page=1*.

Centers of Excellence and Expertise Spotlight

CBP has 10 Centers of Excellence and Expertise (Centers) to focus CBP's trade expertise on industry-specific issues through account-based processing on a national scale. The Centers, managed from strategic locations around the country, have national authority to make trade decisions at all ports of entry in an effort to meet the goals of strengthening America's economic competitiveness, enhancing industry knowledge and expertise, developing innovative trade processing procedures, applying strategic and impactful trade enforcement actions, and leveraging available trade intelligence. The Centers are the operational entity of CBP responsible for identifying, assessing and prioritizing risks within their respective industries with a focus on CBP's priority trade issues. The Centers also administer the collection of trade remedies as well as lead and carry out operations to detect and deter unlawful trade activities.

To learn more about the Centers, visit *https://www.cbp.gov/trade/centers-excellence-and-expertise-information*.




NAGEL
KUEHNE NAGEL

Mode of Transportation and Top Product Commodities

SEIZURES BY MODE OF TRANSPORTATION



16,926 EXPRESS



7,293 MAIL

2,274 CARGO



ALL OTHERS 622

TOP PRODUCTS SEIZED BY NUMBER OF SEIZURE LINES



30% WEARING APPAREL/ ACCESSORIES



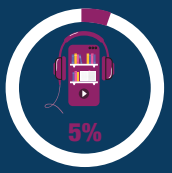
28% HANDBAGS/ WALLETS



13% FOOTWEAR



12% WATCHES/ JEWELRY



5% CONSUMER ELECTRONICS



4% CONSUMER PRODUCTS



3% PHARMACEUTICAL/ PERSONAL CARE



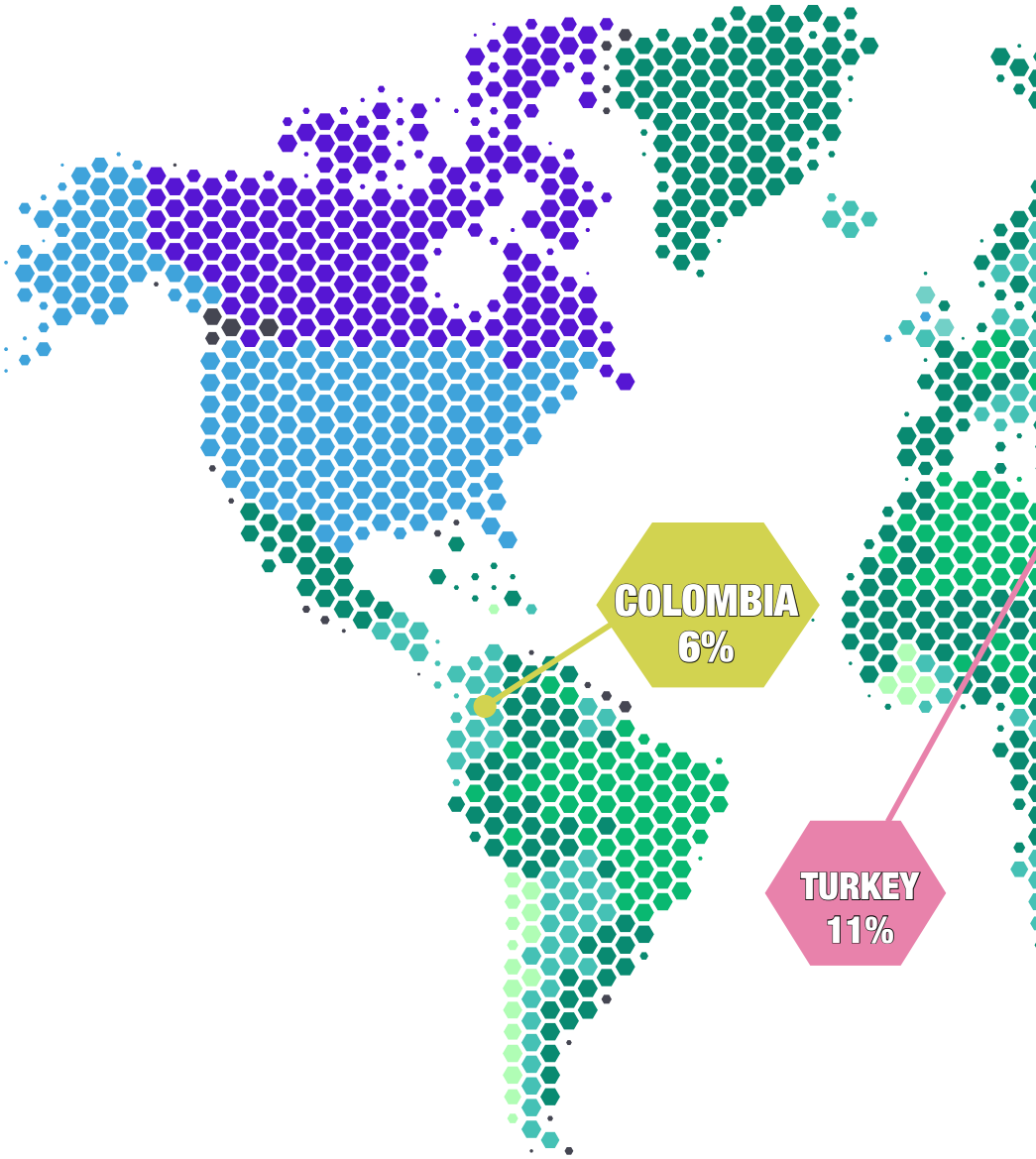
1% AUTOMOBILE/ AEROSPACE



1% LABEL TAGS

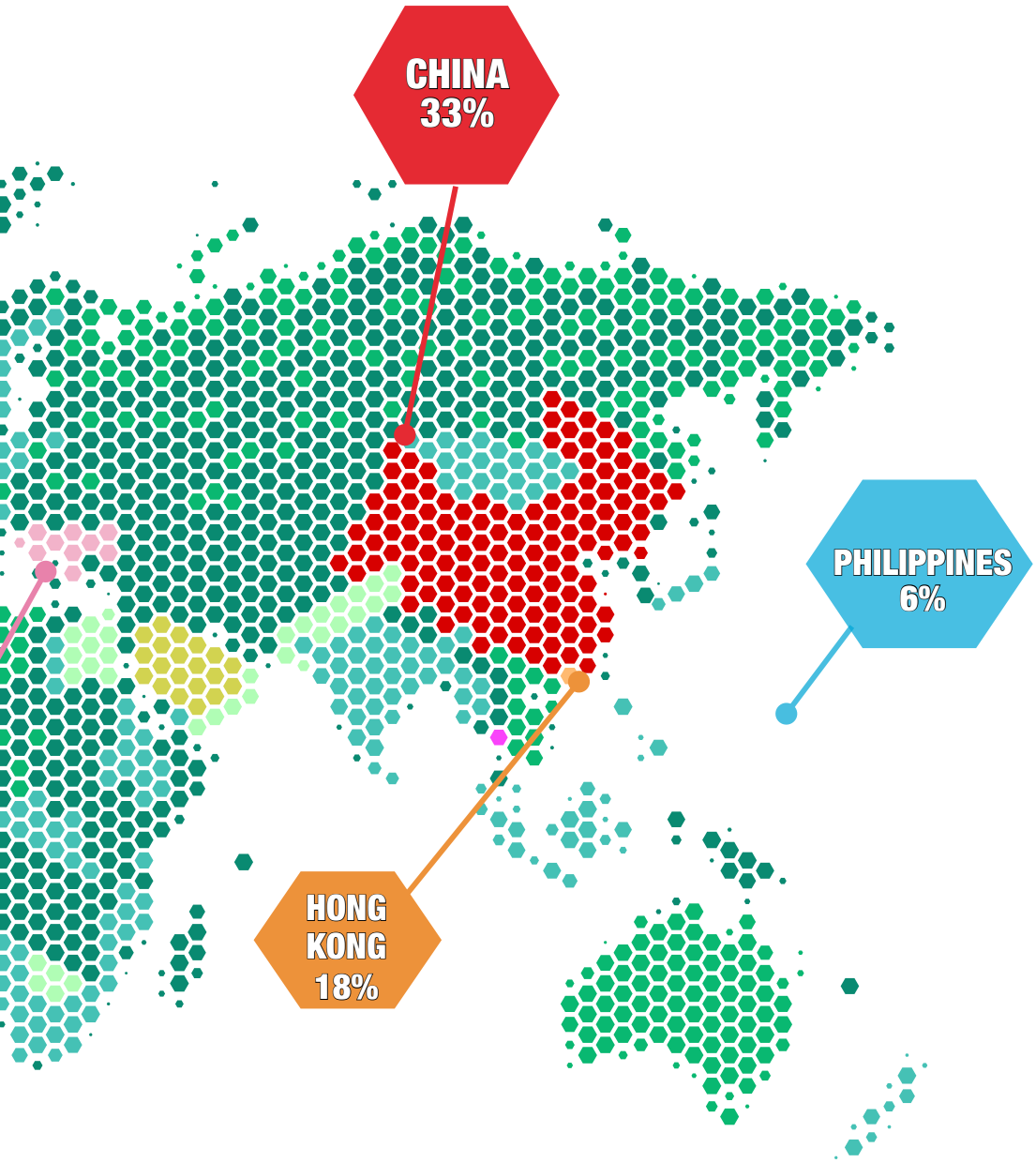
ALL OTHER COMMODITIES 4%

Seizure World Map



FY 2021 TOTALS
NUMBER OF SEIZURE LINES: 102,490
MSRP: $3.3 Billion

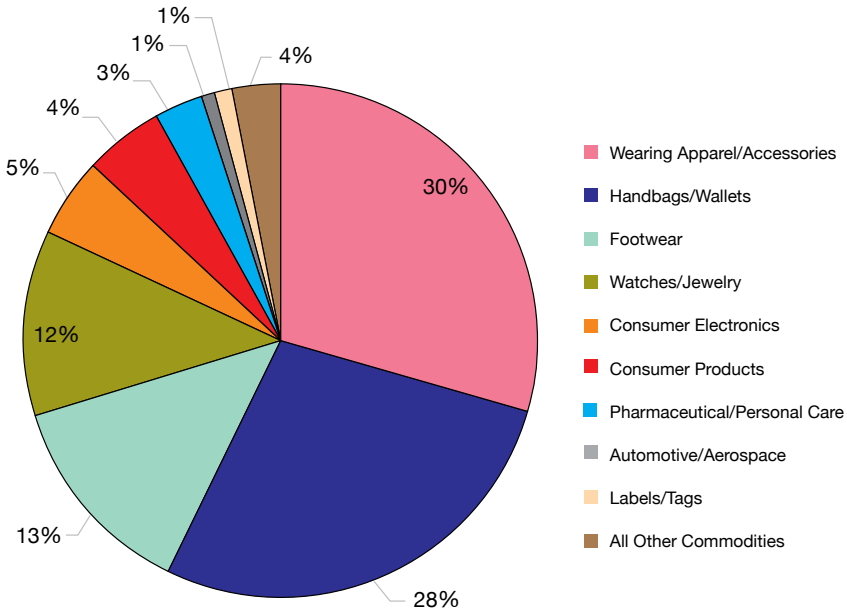
Seizure World Map



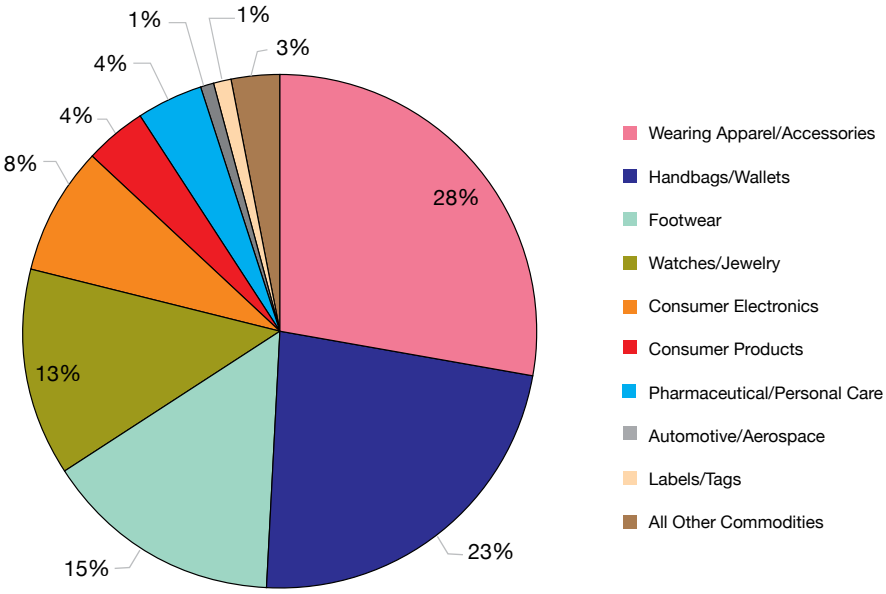
ALL OTHER COUNTRIES 27%

Number of Seizures

Number of Seizures Lines by Fiscal Year 2021



Number of Seizures Lines by Fiscal Year 2020



Number of Seizures

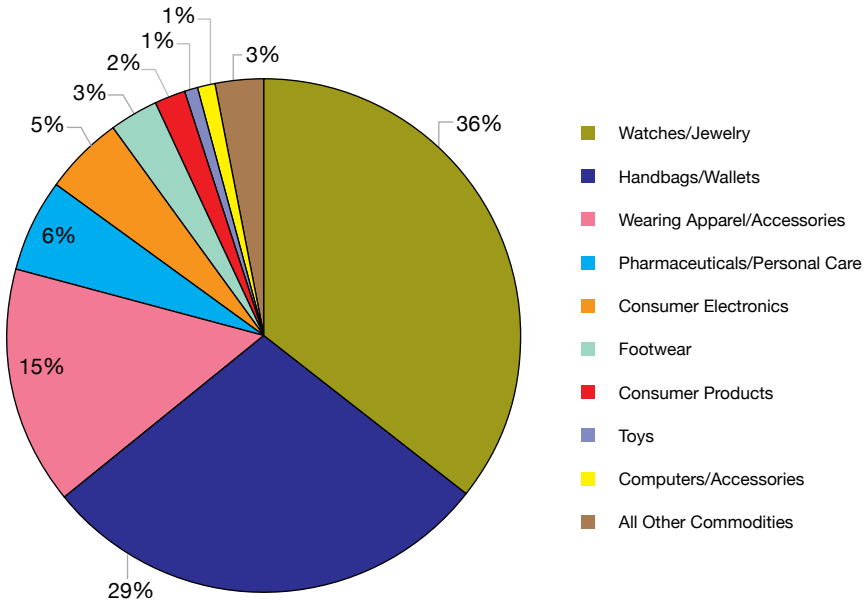
Number of Seizure Lines by Product – FY 2021		
Products	**Seizure Lines**	**Percentage**
Wearing Apparel/Accessories	30,681	30%
Handbags/Wallets	28,331	28%
Footwear	13,355	13%
Watches/Jewelry	12,313	12%
Consumer Electronics	5,380	5%
Consumer Products	3,721	4%
Pharmaceuticals/Personal Care	3,155	3%
Automotive/Aerospace	1,303	1%
Labels/Tags	641	1%
All Other Commodities	3,610	4%
Number of Seizure Lines	**102,490**	**100%**

Number of Seizure Lines by Product – FY 2020		
Products	**Seizure Lines**	**% of Total**
Wearing Apparel/Accessories	20,386	28%
Handbags/Wallets	16,554	23%
Footwear	10,868	15%
Watches/Jewelry	9,405	13%
Consumer Electronics	5,534	8%
Consumer Products	2,940	4%
Pharmaceuticals/Personal Care	2,819	4%
Automotive/Aerospace	968	1%
Labels/Tags	470	1%
All Other Products	2,413	3%
Number of Seizure Lines	**72,357**	**100%**

* In an effort to streamline DHS reporting, we are now reporting seized by seizure lines and not seizures. This will allow for greater specificity, especially for those seizures which contain more than one type of commodity. Shipments with multiple products are categorized as All Other Commodities. Because the individual percentage figures are rounded, in some cases, the sum of the rounded percentages for a given fiscal year is slightly higher or lower than 100 percent.

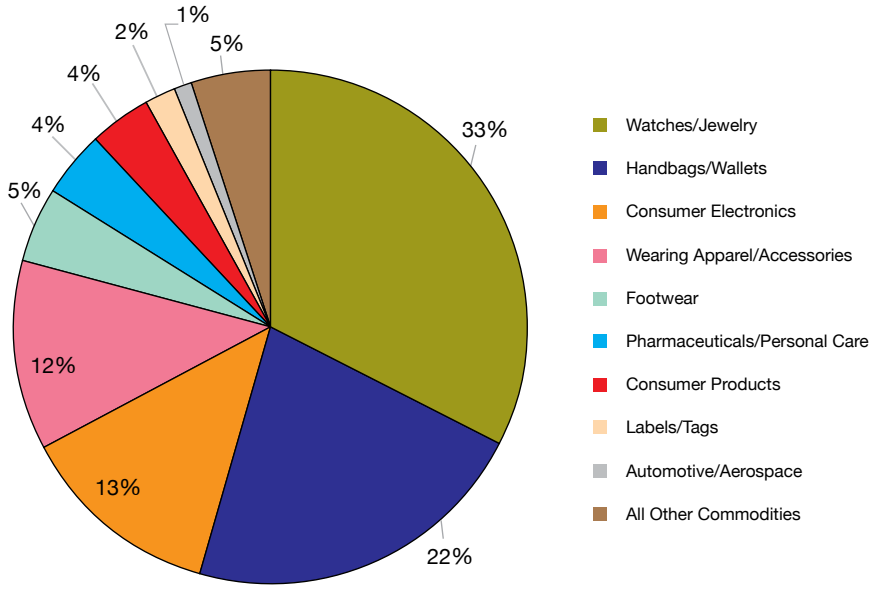
Products Seized by MSRP

MSRP By Product FY 2021



Total FY 2021 MSRP $3,330,037,350

MSRP By Product FY 2020



Total FY 2020 MSRP $1,309,156,510

Products Seized by MSRP

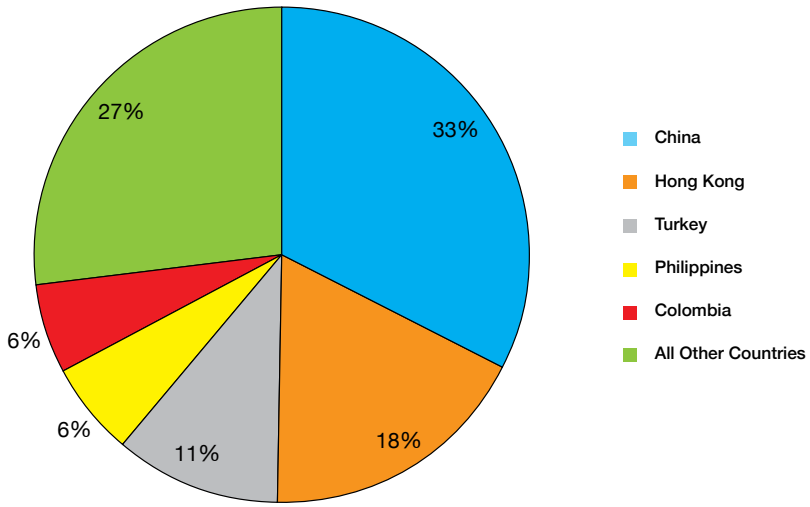
MSRP By Product – FY 2021		
Products	**MSRP**	**Percentage**
Watches/Jewelry	$1,186,747,146	36%
Handbags/Wallets	$972,495,390	29%
Wearing Apparel/Accessories	$487,370,983	15%
Pharmaceuticals/Personal Care	$185,043,493	6%
Consumer Electronics	$171,010,749	5%
Footwear	$96,690,708	3%
Consumer Products	$72,075,495	2%
Toys	$25,420,514	1%
Computers/Accessories	$24,553,282	1%
All Other Products	$108,629,590	3%
Grand Total	**$3,330,037,350**	**100%**
Number of Seizure Lines	**102,490**	

MSRP By Product – FY 2020		
Products	**MSRP**	**Percentage**
Watches/Jewelry	$435,249,467	33%
Handbags/Wallets	$282,702,448	22%
Consumer Electronics	$173,829,670	13%
Wearing Apparel/Accessories	$157,226,661	12%
Footwear	$63,146,456	5%
Pharmaceuticals/Personal Care	$56,190,152	4%
Consumer Products	$49,695,611	4%
Labels/Tags	$19,823,791	2%
Automotive/Aerospace	$11,063,561	1%
All Other Products	$60,228,693	5%
Grand Total	**$1,309,156,510**	**100%**
Number of Seizure Lines	**72,537**	

* In an effort to streamline DHS reporting, we are now reporting seized by seizure lines and not seizures. This will allow for greater specificity, especially for those seizures which contain more than one type of commodity. Shipments with multiple products are categorized as All Other Commodities. Because the individual percentage figures are rounded, in some cases, the sum of the rounded percentages for a given fiscal year is slightly higher or lower than 100 percent.

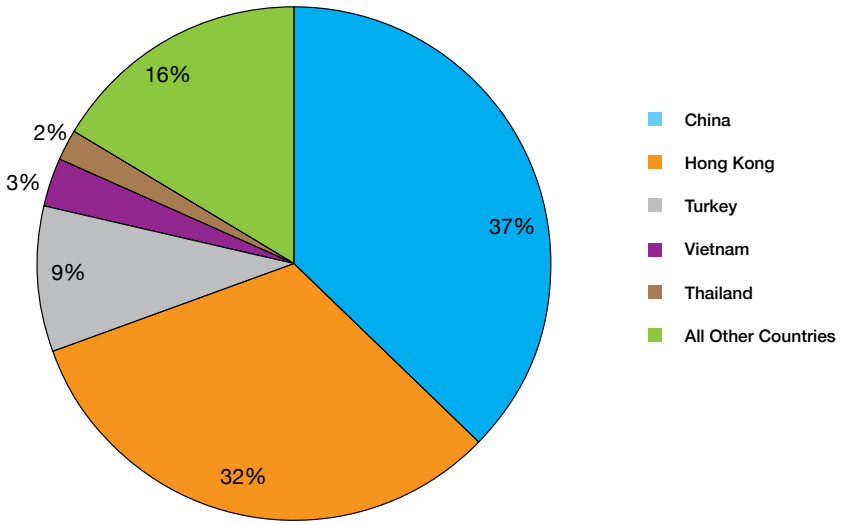
Total Seizure Lines and MSRP Seized by Economy

Seizure Lines By Economy FY 2021



Number of Seizure Lines: 102,490

Seizure Lines By Economy FY 2020



Number of Seizure Lines: 72,357

Total Seizure Lines and MSRP Seized by Economy

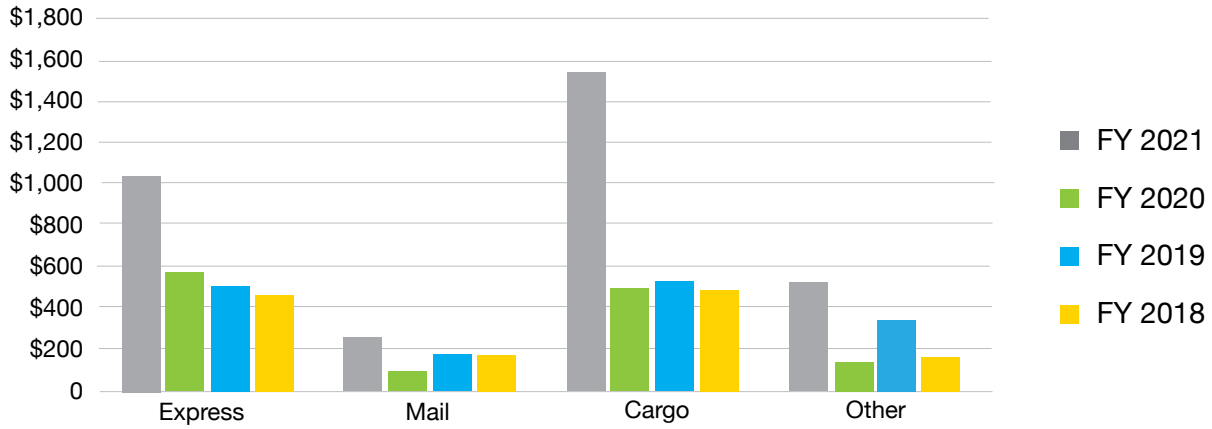
Seizures Lines and Related MSRP by Economy – FY 2021			
Trading Partner	**Seizure Lines**	**% of Total**	**MSRP**
China	33,323	33%	$1,888,298,761
Hong Kong	18,466	18%	$613,462,655
Turkey	10,781	11%	$60,347,048
Philippines	6,416	6%	$45,692,010
Colombia	5,912	6%	$23,980,798
All Other Countries	27,592	27%	$698,256,079
Total	**102,490**	**100%**	**$3,330,037,350**

Seizures Lines and Related MSRP by Economy – FY 2020			
Trading Partner	**Seizure Lines**	**% of Total**	**MSRP**
China	26,985	37%	$660,767,476
Hong Kong	23,493	32%	$428,961,694
Turkey	6,831	9%	$31,237,035
Vietnam	2,123	3%	$25,803,755
Thailand	1,445	2%	$12,601,807
All Other Countries	11,480	16%	$149,784,743
Grand Total	**72,357**	**100%**	**$1,309,156,510**

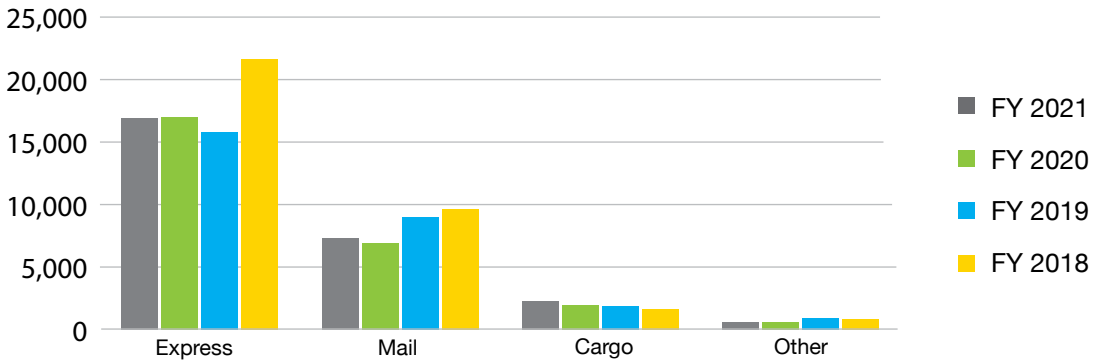
* The aggregate seizure data reflect the reported country of origin, not necessarily where the seized goods were produced. Because the individual percentage figures are rounded, in some cases, the sum of the rounded percentages for a given fiscal year is slightly higher or lower than 100 percent.

Seizures by Mode of Transportation

Modes of Transportation by MSRP (in millions)



Modes of Transportation by Seizures



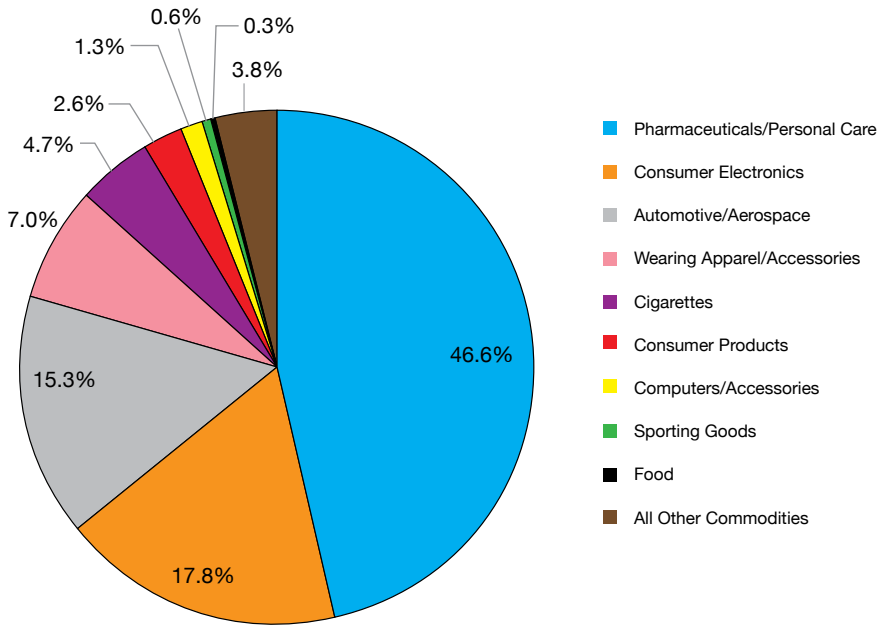
Seizures by Mode of Transportation

	Modes of Transport Estimated MSRP (in Millions)			
	FY 2021	FY 2020	FY 2019	FY 2018
Express	$1,036.1	$589.1	$553.5	$549.2
Mail	$231.5	$98.1	$175.6	$197.3
Cargo	$1,575.7	$463.4	$488.2	$447.9
Other	$486.7	$158.5	$337.9	$205.4
TOTAL	$3,330.0	$1,309.1	$1,555.2	$1,399.8

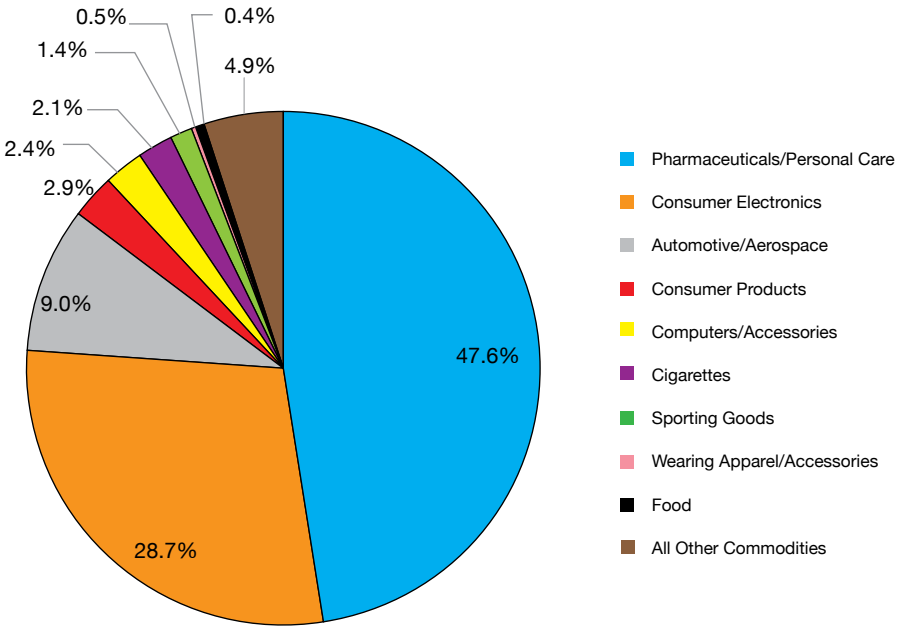
	Modes of Transport Seizures			
	FY 2021	FY 2020	FY 2019	FY 2018
Express	16,926	17,001	15,811	21,632
Mail	7,293	6,886	8,982	9,643
Cargo	2,274	1,993	1,903	1,673
Other	622	623	903	862
TOTAL	27,115	26,503	27,599	33,810

Health, Safety, and Security (HSS) by Product

Health, Safety, and Security (HSS) by Commodity FY 2021



Health, Safety, and Security (HSS) by Commodity FY 2020



Health, Safety, and Security (HSS) by Product

Health, Safety, and Security (HSS) by Commodity – FY 2021		
Health, Safety, and Security	**Seizure Lines**	**% of Total**
Pharmaceuticals/Personal Care	3,041	46.6%
Consumer Electronics	1,165	17.8%
Automotive/Aerospace	1,002	15.3%
Wearing Apparel/Accessories	457	7.0%
Cigarettes	309	4.7%
Consumer Products	170	2.6%
Computers/Accessories	84	1.3%
Sporting Goods	38	0.6%
Food	19	0.3%
All Other Commodities	247	3.8%
Number of Seizure Lines	**6,532**	**100%**

Health, Safety, and Security (HSS) by Commodity – FY 2020		
Health, Safety, and Security	**Seizure Lines**	**% of Total**
Pharmaceuticals/Personal Care	2,706	47.6%
Consumer Electronics	1,630	28.7%
Automotive/Aerospace	511	9.0%
Consumer Products	165	2.9%
Computers/Accessories	139	2.4%
Cigarettes	119	2.1%
Sporting Goods	81	1.4%
Wearing Apparel/Accessories	30	0.5%
Food	21	0.4%
All Other Commodities	277	4.9%
Number of Seizure Lines	**5,679**	**100%**

* In an effort to streamline DHS reporting, we are now reporting seized by seizure lines and not seizures. This will allow for greater specificity, especially for those seizures which contain more than one type of commodity. Shipments with multiple products are categorized as All Other Commodities. Because the individual percentage figures are rounded, in some cases, the sum of the rounded percentages for a given fiscal year is slightly higher or lower than 100 percent.

MSRP by Centers of Excellence and Expertise

MSRP by Center of Excell				
Fiscal Year	**FY 2021**		**FY 2020**	
Center Name	**MSRP**	**% of Total MSRP**	**MSRP**	**%**
Consumer Products and Mass Merchandising	$2,358,989,573	70.84%	$841,588,271	
Apparel, Footwear and Textiles	$588,394,332	17.67%	$231,915,396	
Electronics	$196,173,287	5.89%	$170,643,120	
Pharmaceuticals, Health and Chemicals	$138,605,159	4.16%	$21,024,365	
Automotive and Aerospace	$21,168,082	0.64%	$10,857,996	
Agriculture and Prepared Products	$9,284,046	0.28%	$893,941	
Industrial and Manufacturing Materials	$5,514,953	0.17%	$3,260,622	
Machinery	$10,741,371	0.32%	$22,860,881	
Base Metals	$1,166,547	0.04%	$6,111,920	
Total	**$3,330,037,350**	**100%**	**$1,309,156,510**	

MSRP by Centers of Excellence and Expertise

ence and Expertise (CEEs)				
	FY 2019		FY 2018	
of Total MSRP	MSRP	% of Total MSRP	MSRP	% of Total MSRP
64.28%	$1,000,628,016	64.34%	$1,037,183,326	74.09%
17.71%	$383,694,303	24.67%	$192,996,007	13.79%
13.03%	$117,028,274	7.52%	$121,609,130	8.69%
1.61%	$9,234,202	0.59%	$8,896,989	0.64%
0.83%	$9,868,483	0.63%	$14,638,119	1.05%
0.07%	$3,882,013	0.25%	$4,578,951	0.33%
0.25%	$1,225,896	0.08%	$951,393	0.07%
1.75%	$27,810,170	1.79%	$11,475,793	0.82%
0.47%	$1,897,700	0.12%	$7,544,135	0.54%
100%	**$1,555,269,057**	**100%**	**$1,399,873,842**	**100%**

CBP IPR Points of Contact

Questions? Contact the IPR Help Desk For As
Monday through Friday to answer questions on I
via email at *IPRHELPDESK@cbp.dhs.gov*.

Regulations, Rulings, and Recordation – For qu
contact Regulations and Rulings (RR) at *hqiprbra*
the e-Recordation program, contact *iprrquestion*
articles potentially subject to an ITC exclusion or
Rulings@cbp.dhs.gov.

Guidance on CBP IPR Policy and Programs - T
coordinates with rights holders, members of the
agencies, and foreign governments in developin
policy and programs. To contact the IPR Division

e-Allegations - If you are aware of or suspect a
please report the trade violation using CBP's e-A
System at *https://eallegations.cbp.gov/s/*. Trade
1-800-BE-ALERT.

National Intellectual Property Rights Coordin
Intellectual Property Rights, including counterfei
Coordination Center at *https://www.iprcenter.g*

CBP IPR Points of Contact

ssistance - CBP's IPR Help Desk is staffed
IPR enforcement. Contact the IPR Help Desk

uestions about CBP's IP enforcement regime,
nch@cbp.dhs.gov. For information concerning
ns@cbp.dhs.gov. Ruling requests regarding
rder may be submitted to *EOEBranch.ITC337.*

he IPR and E-Commerce Division (IPR Division)
trade community, CBP staff, other Federal
g and implementing the Agency's IPR strategy,
, email *iprhelpdesk@cbp.dhs.gov*.

company or individual is committing IPR crime,
Allegations Online Trade Violation Reporting
violations can also be reported by calling

ation Center - To Report Violations of
ting and piracy, contact the National IPR
ov/referral/ or telephone 1-866-IPR-2060.

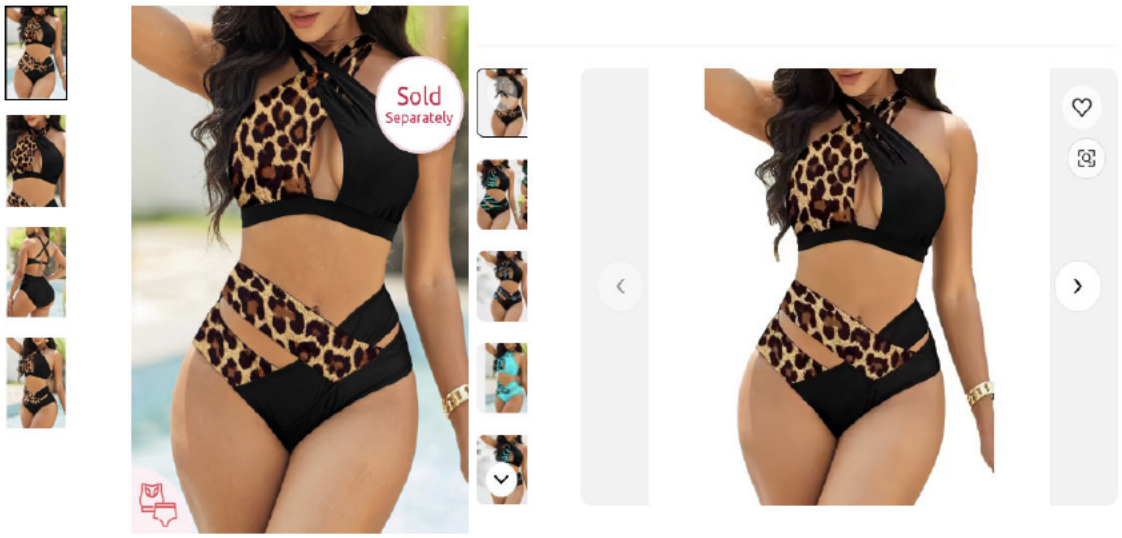
U.S. Customs and
Border Protection

CBP Publication No. 2018-0922

Exhibit 5

Hong Kong Leyuzhen Technology Co. Limited v. Shenzhen Yilanya Technology Co. Ltd.
Infringement Evidence Copyright VA0002379894

Rotita Copyright Image **Defendant Infringing Image**



https://www.alibaba.com/product-detail/Summer-Plus-Size-5XL-Sexy-Leopard_1601048952193.html?spm=a2700.picsearch.normal_offer.d_image.4f6e5f938NuMOY

Product details

Sold by: **Shenzhen Yilanya Technology Co., Ltd.** Chat now

Product name	Spec/Specs	Unit price	Quantity	Total
Summer Plus Size 5XL Sexy Leopard Two Piece Women Swimsuits Bikini Set Swimwear Beachwear	Color: 1,Size: XXL	USD 6.9600 /Sets ~~USD 6.7000 /Sets~~	1.00	USD 6.96 ~~USD 6.70~~

Product Quantity: **1.00** Total Price: **USD 6.96**

Shipment details

Waiting for supplier to ship Track shipment(s)

Shipping address
Jane Anderson, [redacted]
Street,Chicago,Illinois,United States of America,60613
Modify shipping address

Ship from
CN

Shipping method
Multimodal transport
Ocean+Express US(Economy)
Alibaba.com Logistics

Incoterms and duties
DDP

Summer Plus Size 5XL Sexy Leopard Two Piece Women Swimsuits Set Swimwear Beachwear

No reviews yet

Shenzhen Yilanya Technology Co., L5 yrs · CN



Supplier highlights This manufacturer and trader mainly exports to the United States, Australia, and the UAE, with a [illegible] and [illegible].

Other recommendations for your business



All 5 colors

Iron Chain Sexy Bikinis Se Two Piece Swimming Suit

$5.56

~~$6.95~~ 20% off

Min. order: 1 set

Easy Return

All 5 colors

Wholesale 6colors S-L Custom Design Pattern...

$6.30

~~$7.87~~ 20% off

Min. order: 1 set

Easy Return

All 3 colors

New Design Crystal Diamond Women Custom

$9.68

~~$12.10~~ 20% off

Min. order: 1 set

Easy Return

Wom Bana

$9.8

~~$12.~~

Min.

Easy

Customizable

20% off

$6.96 / set 1 set(MOQ)

~~$8.70~~

Import charges included

Sample price $8.70 Get sampl

Variations

Select no

Color(4): 1

Size(8)

Shipping

Import charges included in shipping fee

Parcel for General Goods US(Change

Shipping fee $10.63 for 1 set

Estimated delivery by Jul 14-Jul 21

Start orde Add to car Chat nov

$5 off $199

Dropship this product to your store

Start dropshipping

4 interest-free payments with

Afterpay PayPal Klarna

Protections for this product

Secure payments

Every payment you make on Alib secured with strict SSL encryption and PC DSS data protection protocols

Attributes | Performance | Reviews | Supplier | Description

Key attributes

Industry-specific attributes

Material	100% Polyester
Style	Cover Up

Other attributes

Neckline	Round Neck
Gender	Women
Pattern Type	Floral

Show more

Lead time

Customization options

Customized logo (Min. order: 500 sets)
Customized packaging (Min. order: 100 sets)
Graphic customization (Min. order: 500 sets)

Chat now

Ratings & Reviews

Product reviews (0) | Storereviews (235)

No product reviews yet

Go to Store reviews to see reviews for other products

Know your supplier

Erandear

Shenzhen Yilanya Technology Co., Ltd.

Manufacturer, Trading Company, Agent, Others | 5 yrs on Alibaba.com

Located in CN

Online store performance

Easy Return & Refund

Claim a refund if your order is missing o
arrives with product issues, plus free lo
returns for defects on qualifying purcha

Alibaba.com protects all your orders placed and on the platform wit Trade Assurance

On-time delivery rate	Online revenu	Response Time
100.0%	US$ 5,000+	≤4h

More products | Company profile

Product descriptions from the supplier

Specification



Material	nylon
Season	Summer
Size	S/M/L/XL/2XL/3XL/4XL/5XL
MOQ	1SET
Fabric	Polyester
Packing	opp bag+carton or customize size
Sleeve	Swimwear,Two Piece Swimsuit Bikini Set Swimw Swimsuits
OEM	available
Gender	women



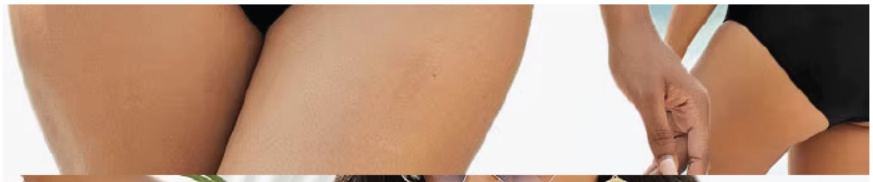
Size/尺码	BUST/胸部	WAIST/腰部	HIP/臀部
S	78-82cm	66-80cm	80-84cm
M	82-86cm	80-84cm	84-88cm
L	86-90cm	84-88cm	88-92cm
XL	90-94cm	88-92cm	92-96cm
2XL	94-98cm	92-96cm	96-100cm
3XL	98-102cm	96-100cm	110-104c
4XL	102-106cm	110-104cm	104-108c
5XL	106-110cm	104-108cm	108-112c
6XL	110cm-114cm	108-112cm	112-116c
Please allow 1-2cm deviations due measurement. Thanks for your unders			
由于手动测量，请允许1-2厘米的偏差。 感			

Product Description

Welcome to message us online to get all desig picture!















Recommended by seller

Summer Triangle Brazi	Womans Three 3 Piece	Custom 3D Flower Pus	Wholesale
$6.40/ set	$9.84/ set	$7.20/ set	$6.30/ set
1 set	1 set	1 set	1 set

New Arrival Long Sleev	Summer Beachwear C	Custom Private Label C	Custom Re
$5.90/ set	$9.24/ set	$5.60/ set	$6.24/ set
1 set	1 set	1 set	1 set

New Design Crystal Di	New Women Printed S.	2024 Women Swimwea
$9.68/ set	$7.20-13.28/ set	$7.12/ set
1 set	1 set	1 set

Custom Service



CUSTOMIZE LOGO 1



CUSTOMIZE LOGO 2



CUSTOMIZE LOGO

.



CUSTOMIZE DETAILS AS YOU LIKE

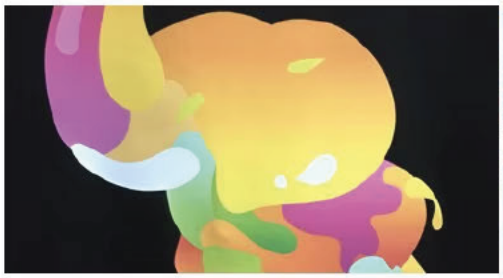
- Printing Process -



Screen printing
-
MOQ 10Pcs



EMBROIDERY
-
MOQ 10Pcs



DIGITAL HOT STAMPING
-
MOQ 10Pcs



Automatic pyrogr
-
MOQ 50Pcs



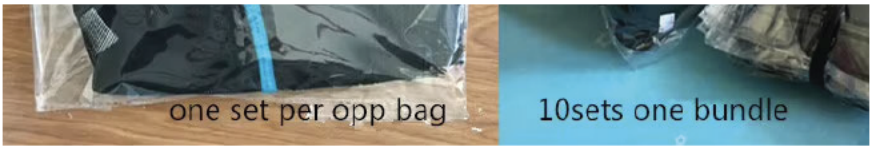
DIGITAL DIRECT INJECTION
-
MOQ 1Pc



Gold Stamping
-
MOQ 10Pcs

Packing & Delivery




one set per opp bag
10sets one bundle



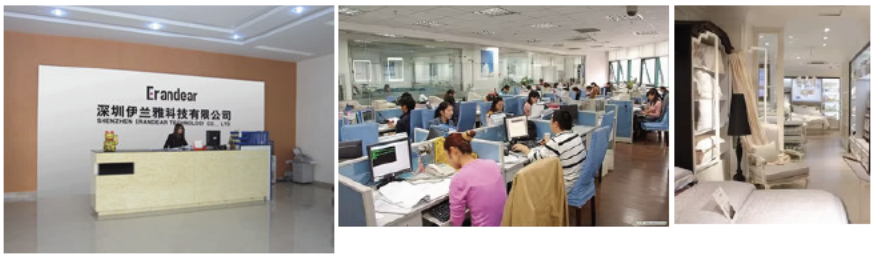



PACKING&SHIPPING
VISA Electron
PayPal
MasterCard
DISCOVER
DELTA
WESTERN UNION
More payment terms we can provide.



each set In Poly bags ,then 50pcs in woven bag or carton,or customized
short sleeve kids sleep,sleepwear for children,cheap kids pajamas

Company Profile

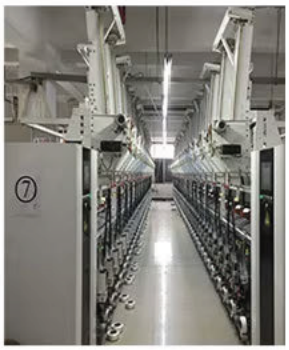


PRODUCTION PROCESS



equipment



Erandear Company own 10 years home textile series products OEM , ODM and export people own more than 6 years home use sale experience at least. this can make us bus much easily and safety each other.
As our factory is located in the largest home textile market in China, we can get all the information, such as the latest fabric, newdesigns and the best prices. We can provide designs each year to meet different clients' needs.

FAQ

delivery time ?
A: Generally it is 1 - 3 days if the goods are in stock. 10 - 15 days for customize Order , factory Order
quantity.
Q: Do you provide samples ? is it free or extra ? A: Yes , offer the sample not free.we pa cost in
sample , we believe our product can bring more selling status for you , double sample f refund in bulk orders ,
it show the sincere for you for us.
Q: What is your terms of payment ? A: TT , West union . in Bulk Order , 30% Deposit Firs Balance (70%) Before Shipping.
Q: Do you accept customize ? A: Yes , customize order is highly welcome , we respect customer 's ideas and designs .

Contact



Frequently bought together

All 13 colors
2021 Women Plus Size Outfit shirt Pants Set 2 Piece Sport
$4.40-5.76
~~$5.50-7.20~~20% off
Min. order: 1 set
Easy Return

All 11 colors
Ice Silk Thongs for Women Panties High Quality Female.
$2.34
~~$2.93~~20% off
Min. order: 1 set
Easy Return

Christmas Moose Family Matching Clothes Pajamas S
$4.80-7.10
~~$6-8.88~~20% off
Min. order: 2 sets
Easy Return

All 4 colors
Lace 5pcs Soft Silk Women Pajamas Sets Suspenders...
$12-14.10
Min. order: 1 set
Easy Return

All 2 colo
New Arrivals Su Sleepwear Two
$8.84
~~$11.05~~20% off
Min. order: 2 se
Easy Return

Supplier's popular products

Alibaba Guaranteed
Stock Factory Sexy Sunscreen Casual Style...
$6.60
~~$8.25~~20% off
Min. order: 1 piece
Delivery by Jul 14
Money-back guarantee

All 25 colors
US America Custom Desig Sexy Women Basketball...
$8.16
~~$10.20~~20% off
Min. order: 1 set
Easy Return

All 7 colors
King Mcgreen Star 3PCS Sexy Mesh Sheer Strappy
$6.32
~~$7.90~~20% off
Min. order: 1 set
Easy Return

New Arrival Summer Bodysuits for Women Ruff
$6.80
~~$8.50~~20% off
Min. order: 3 sets
Easy Return

Pure Cotton Female Cotto Linen Pleated Short Sleev
$8.52
~~$10.65~~20% off
Min. order: 60 sets
Easy Return

All 4 colors
2022 New Arrivals Summe Crop Top Two Piece Shor
$8.33
Min. order: 1 piece
Easy Return

All 2 colors
Custom Printing Girls Swimwear Beachwear Hig
$6.80
~~$8.50~~20% off
Min. order: 3 sets
Easy Return

All 18 colors
2022 New Designer Bikini Woman Glitter Halter Nec
$6.94
~~$7.71~~10% off
Min. order: 1 set
Easy Return

Whole Living Room Carpe Anti Slip Bedroom Carpet.
$2.50-12.90
Min. order: 1 square meter
Easy Return

3-6 Days Fast Shipping in Stock Brand Name...
$6.66
~~$8.33~~20% off
Min. order: 5 sets
Easy Return

2025 Swimwear Women Luxury Bathing Suits...

$6.66

Min. order: 2 sets

Easy Return

All 7 colors

Plus Size S-3XL Camo Shorts Skirt Pants Women

$7-9.70

Min. order: 2 sets

Easy Return

All 4 colors

Women Beach Transparer Mesh Sarong Soft Gauze..

$2.80-5.56

~~$3.50-6.95~~ 20% off

Min. order: 10 pieces

Easy Return



All 3 colors

Summer Plain Color Swimming Suit Designer...

$5.23

~~$5.88~~ 11% off

Min. order: 2 sets

Easy Return

All 11 colors

Open Back Multi Color Sp Bikini Three Piece Swimw

$5.04

~~$5.66~~ 11% off

Min. order: 2 sets

Easy Return

All 7 colors

Summer Custom 3 Piece Designer Matching...

$7.26

~~$10.08~~ 32% off

Min. order: 1 set

Easy Return

Wholesale Custom Childre Bikini Toddler Swimsuit Gi

$8.80

~~$11~~ 20% off

Min. order: 10 sets

Easy Return

All 2 colors

Hot Sale S to 4XPlus Size Women Swimsuits Summe

$7.92

~~$9.90~~ 20% off

Min. order: 1 set

Easy Return

All 5 colors

2024 V Neck Boxers Brazilian Bikinis Printed...

$5.78

~~$7.23~~ 20% off

Min. order: 2 sets

Easy Return



All 14 colors

Wholesale Sexy Bikinis Atacados Woman Women

$6.80

~~$8.50~~ 20% off

Min. order: 1 set

Easy Return



All 13 colors

2024 New Trend Underwi Bralette Girls Swimwear...

$5.72

~~$7.15~~ 20% off

Min. order: 1 set

Easy Return

All 9 colors

Custom Swimsuit Sport Bathing Suit Boyleg Two...

$5.58

~~$6.97~~ 20% off

Min. order: 2 sets

Easy Return

All 8 colors

Fashion Show Swimwear Women Sexy Two Piece...

$7.04

~~$8.80~~ 20% off

Min. order: 1 set

Easy Return



All 7 colors

2025 Factory Direct Sales Comfortable Sexy Europe

$5.80

~~$7.25~~ 20% off

Min. order: 3 sets

Easy Return

All 6 colors

Swimwear Women Luxury Bathing Suits Woman...

$6.80

~~$8.50~~ 20% off

Min. order: 1 set

Easy Return

All 7 colors

Alibaba Guaranteed

2025 New Arrivals Cute Wholesale Bikini Set Plain

All 5 colors

2025 New Fashion Girl Swimwear Designer...

$5.59



All 5 colors

New

2025 Newest Swimwear Women Luxury Bathing Su

All 5 colors

New

New Arrivals Sexy 2 Piece Women Swimwear De La..

Alibaba Guaranteed

Women Fashion New De Lace One Piece Swim Sui

$6

$5.59
~~$6.99~~20% off
Min. order: 2 sets
Delivery by Jul 14

~~$6.99~~20% off
Min. order: 2 sets
Easy Return

$5.60
~~$7~~ 20% off
Min. order: 2 sets
Easy Return

$5.60
~~$7~~ 20% off
Min. order: 2 sets
Easy Return

~~$7.50~~20% off
Min. order: 1 piece
Delivery by Jul 14
Money-back guarantee



All 5 colors
Custom One Piece Bodysı Swim Suit Womens...
$6.60
~~$8.25~~20% off
Min. order: 3 sets
Easy Return

All 5 colors
2025 Women Bathing Suit Swimwear Sexy Fashion V
$6.60
~~$8.25~~20% off
Min. order: 3 sets
Easy Return

All 5 colors
Female Sexy Solid Beach Backless Swimsuit...
$6.60
~~$8.25~~20% off
Min. order: 3 sets
Easy Return

All 6 colors
Summer New Women's Se Mesh Swimwear Bath Suit
$7.78
~~$9.73~~20% off
Min. order: 3 sets
Easy Return

All 5 colors
2025 Custom Private Labı Bikini High Quality Sexy G
$5.59
~~$6.99~~20% off
Min. order: 2 sets
Easy Return

Related searches

kids swimwear | modest swimwear | boys swimwear | cheap swimwear | arena swimwear | mens swimwear | retro swimwear | skimpy swimwear | sheer swimwear | frozen swimwear | girls swimwear | venus swimwear | thong swimwear | baby swimwear | xoxo swimwear

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Refunds
Report abuse

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Deliver to: US
Create acco
5YRS Shenzhen Yilanya Technology Co., Ltd.

Erandear

SHENZHEN ERANDEAR TECHNOLOGY CO., LTD

Company Overview
Selected products
Production Capacity
R&D Capacity
Trade Capacity
Business Performance

Contact Supplier
Chat Now!

5YRS Shenzhen Yilanya Technology Co., Ltd.

Chat Now!

COMPANY OVERVIEW

Company Album 3

Basic Information

Erandear Company own 10 years home textile series products OEM , ODM and export experience. and our sales people own more than 6 years home use sale experience at least. this can make us business comminication much easily and safety each other. As our factory is located in the largest home textile market in China, we can get all the latest fabric designs and information, such as the latest

4.7/5
Satisfied
50 Reviews

Supplier Index	
Transactions	-
Response Time	≤4h
Response rate	92.55

Business type	Manufacturer, Trading Company, Agent, Other	Country / Region	Guangdong, China
Main Products	Apparel, women's sleepwear, women's clothing, women's set, carpet	Total employees	5 - 10 People
Total Annual Revenue	US$50 Million - US$100 Million	Year established	2021
Certifications	-	Product Certifications	-
Patents	-	Trademarks	-
Main Markets	Western Europe 20.00% North America 18.00% Eastern Europe 10.00%		

Selected products

Messenger



Modern Minimalist Wave Pattern Tufted Flocked...



Modern Non-Slip Absorbent Foot Mat...



Modern Customize Bathroom Foot Mat Non-...



High Quality 3D Functional Simple

PRODUCT CAPACITY

Contact Supplier

Chat Now!

Factory Information

Factory Size	10,000-30,000 square meters
Factory Country/Region	No.26, Group 12, Hongzhong Village, Dongtai Town, Dongtai City, Jiangsu Province, China
No. of Production Lines	6
Contract Manufacturing	OEM Service Offered, Design Service Offered, Buyer Label Offered
Annual Output Value	US$50 Million - US$100 Million

R&D CAPACITY

Research & Development

5 - 10 People

TRADE CAPABILITIES

Main Markets & Product(s)

Main markets	Total Revenue(%)	Main Product(s)	Ver
Western Europe	20.00%	-	-
North America	18.00%	-	-
Eastern Europe	10.00%	-	-
Northern Europe	9.00%	-	-
Southern Europe	8.00%	-	-
Southeast Asia	8.00%	-	-
Mid East	5.00%	-	-
Central America	5.00%	-	-
South America	5.00%	-	-
Eastern Asia	4.00%	-	-

South Asia	3.00%	-	-
Africa	2.00%	-	-

View More Trade Capabilities

Buyer Interaction

Response rate	Response time	Quotation Performance
92.55%	≤4h	24

Transaction History

Transactions	Total Amount
-	-

Contact Supplier

Chat Now!

Send message to supplier

To: Rose Lai

* Message: Enter your inquiry details such as product name, color, size, quantity, material, etc.

0/8000

Send

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