



## UNITED STATES: Ninth Circuit Broadens Scope of Civil Penalty for Counterfeit Goods Bearing Registered Trademarks

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On September 25, 2008, the Ninth Circuit Court of Appeals in *Unites States v. Able Time, Inc.*, 545 F.3d 824 (9th Cir. 2008), confirmed the right of the U.S. Bureau of Customs and Border Protection to impose a civil penalty under the Tariff Act on an importer of seized merchandise bearing a counterfeit mark, even though the owner of the registered mark did not manufacture the same type of merchandise. Customs filed a civil penalty action against Able Time, a company importing watches into the United States under the TOMMY brand. The owner of the registered TOMMY trademark, Tommy Hilfiger Licensing, did not manufacture watches at the time of the seizure.

The U.S. District Court granted the watch importer's motion for summary judgment and refused to impose a civil penalty reasoning that watches were not made by Tommy Hilfiger at the time of the seizure, as required by the Tariff Act. On appeal, the Ninth Circuit reversed the lower court and held that imposition of a civil penalty under the Tariff Act does not require the trademark holder to have manufactured or sold the same goods as those imported with the counterfeit mark but, instead, requires only the finding of a likelihood of confusion.

The Ninth Circuit remanded the case for the lower court to determine whether the mark on the watches (1) was identical to or substantially indistinguishable from the registered mark pursuant to 15 U.S.C. § 1127, and (2) copied or simulated the registered mark, pursuant to 15 U.S.C. § 1124.

Citizens of, or corporations or associations organized within, the United States who own trademarks registered on the Principal Register and produce goods susceptible to counterfeiting can electronically record their marks with Customs through the Customs Border Protection Intellectual Property Rights e-Recordation application (IPRR) (<https://apps.cbp.gov/e-recordations>). This recordation allows Customs officers to monitor imported goods to help prevent importation of goods bearing counterfeit marks.

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