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April 19, 2016

The Honorable R. Gil Kerlikowske
Commissioner
U.S. Customs and Border Protection
1300 Pennsylvania Avenue NW
Washington, DC 20229

Dear Commissioner Kerlikowske:

As you are aware, the Organization for Economic Co-operation and Development (OECD) has recently reported that nearly half a trillion dollars of global imports are counterfeited or pirated. Many of those goods originate in China and a few middle income countries. As the OECD states, "Fake products crop up in everything from handbags and perfumes to machine parts and chemicals. Footwear is the most-copied item though trademarks are infringed even on strawberries and bananas. Counterfeiting also produces knockoffs that endanger lives – auto parts that fail, pharmaceuticals that make people sick, toys that harm children, baby formula that provides no nourishment and medical instruments that deliver false readings."

The provision I added to the Senate Finance Committee Report to the Trade Facilitation and Enforcement Act of 2015 (S. Rept. 114-45, Section 305, Paragraph 4), is specifically aimed to rein in the scourge of counterfeit goods entering our ports and airports. I am writing to inquire about the efforts of Customs and Border Protection (CBP) and the Intellectual Property Rights Coordination Center (IPR Center) to respond to that provision.

It is clear that a number of American industries are at risk of foreign counterfeiting. However, the onslaught of fraudulent goods hitting our markets is also crushing American consumers, who thought they were buying authentic products, but are being blindsided by cheap knockoffs and cheated out of their hard-earned money. American people have very little recourse after they receive their fraudulent item and need your department's help and protection, as do companies that are pursuing action.

As I learned firsthand from families and businesses in New Jersey, the domestic prom and bridal dress industry is increasingly under threat from Chinese dress manufacturers and websites that sell counterfeit goods directly to U.S. consumers. These operators frequently use marketing imagery pirated from U.S. designers to advertise their products and portray them as authentic.

Just imagine how families feel when they receive what they believe is an authentic dress for their prom or wedding, only to discover that the item they actually received is a forgery. This can ruin what should be one of the most memorable days of their lives.

Furthermore, when shipping the items to U.S. consumers, counterfeiters often mark the package as a “gift,” skirting customs inspection and avoiding the payment of applicable import duties. Such practices undermine the full and fair enforcement of our customs laws, deprive our law enforcement agencies of much-needed revenue, place American firms at a competitive disadvantage, and permit unwitting consumers to be deceived and swindled.

The language I added in the Committee Report is an important first step to addressing this issue, but a true solution will take time, energy, and persistence. I look forward to hearing how the IPR Center and CBP are responding to the report language and addressing the problem of counterfeit goods. Specifically, are there new directives and procedures in place; have additional personnel and resources been made available; and what steps are being taken across the government to identify the sources of these items before they reach our country? I look forward to your prompt response.

Sincerely,



Robert Menendez
U.S. Senate

CC: Mr. Bruce Foucart, Director, Intellectual Property Rights Coordination Center