What is INTA’s anti-counterfeiting committee and what are its biggest focuses?

The International Trademark Association (INTA) anti-counterfeiting committee is the largest committee in the structure. We have around 275 members comprised of about 75 brand owners and the rest are service providers. We’re divided into nine regional sub-committees worldwide. We do it regionally, so that we have local expertise all across the globe in terms of anti-counterfeiting issues.

Within each one of these regions we try to bring together multiple stakeholders that are dealing with these issues. We’re trying to engage in policy dialogues with members, brand owners, service providers, government entities, platforms and other intermediaries, to try to find collaborative solutions to solve the counterfeiting problem. It’s a great way to have these policy dialogues, in a fashion in which people are really trying to find solutions for everyone.

How much do you do as committee chair?

I participate in a tremendous amount of the activities that the committee does. I’ve been to programmes in a lot of our regions since I’ve been committee chair. Each sub-committee has a monthly call where they talk about their biggest issues, and I participate in many of those. We also have a leadership call with the heads of all the sub-committees. It’s a big organisation, so we’re trying to make sure that everybody knows what is going on and that the leadership across the sub-committees is working together to grow INTA’s overall goals.

On top of that, I’m a partner at Baker Hostetler in its New York office. I specialise in intellectual property protection and enforcement, and anti-counterfeiting has been my sweet spot for my entire career.

How does the US compare to the rest of the world in terms of enforcement actions?

Within the US, New York is probably the hub of counterfeiting activities. My own personal experience has taught me that, no matter where you go in the country, most people will say the goods are sourced back in the New York market. New York has seen a lot of change in my time. I did my first seizure of counterfeit goods in New York City in 1986 and I’ve seen dramatic change since then, some of it as a result of enforcement, some of it as a result of lobbying, the strengthening of laws and training of law enforcement. Some of it is also a result of the transition of commerce to the internet. As people are buying more on the internet, they are buying less in brick and mortar locations.

Globally, if you were to get every single person selling counterfeits in New York to tell you where they get their goods from, more than 90 percent of them would say that they come out of China. There are some other countries where we are seeing counterfeits, and some of them ebb and flow. There are a lot of regional areas where we’re dealing with regional sales, night markets, flea markets, and things like that. It happens everywhere.

How has the shift to the online marketplaces changed enforcement actions?

Criminal enforcement has changed in many ways. Instead of containers full of goods coming into major ports, you’re seeing very small packages coming into the express shipping hubs and going directly from the Chinese supplier to a customer via a web portal, in many cases taking out the middleman.

Those situations are much harder to police, because with small quantities, smaller packages and resources being stretched further, it’s harder to find them all. We’re seeing the number of seizures by customs has increased, but the number of seized goods has decreased because we’re seizing lots of small packages with less volume. Previously, if you seized container loads, the number of seizures was lower, but number of goods seized was higher. This has affected the way government entities have had to adjust to police the market.

How would you describe the counterfeiting landscape? Has it become too difficult to overcome?

There’s a number of ways you can benchmark these kinds of things. When counterfeiting was exclusively a brick and mortar situation, one of the ways we would benchmark would be: do you see it? Is it on open display? Or hidden in a back room? Translating that to the
internet is asking how visibly available the counterfeit products are on the web.

Now, we not only see counterfeit websites, but also websites that purport to sell counterfeits that aren’t even selling anything at all—they’re phishing for personal information. There’s a huge level of identity theft that’s going on through those websites.

An effective enforcement programme has to do everything. It has to look at the problem from every angle to find out what works best. One of the great ways INTA’s anti-counterfeiting committee is helpful in this regard is through our local expertise within the regional sub-committees.

Region by region, enforcement is not always the same, but by having that broad knowledge we are able to disseminate information to our members on a region-by-region basis. This is not a one-size-fits-all problem, or a one-size-fits-all solution.

The biggest problem is still China, and we put a lot of effort into helping there. Some of the China-based websites are still problematic and we are trying to open dialogue with them to work together and do a better job of enforcement.

In places where the laws are stronger, the US for example, you have a lot of pressure points with intermediaries, whether it’s credit card companies or domain name providers. The laws give you a lot of leverage in involving the intermediaries in a fight that they have gotten themselves into.

Countries that don’t have laws as strong in those areas have a much harder time. In Canada, for example, the laws that make up the enforcement structure just aren’t as strong. Our Canada sub-committee is really focused on trying to work with the legislators in Canada on strengthening the laws and also to use the existing framework to try to get court decisions that will be beneficial and helpful. Our approach is to be international and inclusive to bring people together to find solutions.

We bring in marketplaces and portals to work with INTA members and educate them on their systems and to best make use of their notice and takedown provisions. eBay is a great example of this.

We talk often about how eBay now is the gold standard, everyone looks to eBay in terms of what it’s done and how it’s developed technologically to combat counterfeits, working with the brand owners to have a robust enforcement programme.

But, if you look back, eBay was the elephant in the room—the villain, the hub of counterfeiting. It’s really interesting to look at that and see how, over time, that relationship has changed. I hope that in a few years, we’ll be saying that Alibaba Group is the gold standard and that it will have come around to a similar place to where eBay is now.

Is 3D printing an issue yet?

Interestingly, 3D printing has not proven to be the evil thing that we all worried about—yet. I’m not saying that it’s not going to happen, but the technology is still cost-prohibitive in many respects and it is still very slow. In the beginning, people were afraid that costs would drop quickly, like with other emerging technology.

People had a fear that as the costs came down and the technology sped up, it might allow anyone who makes a small investment to become a counterfeiter. That may still be an issue in the future, but it has not risen to that level yet.

What is the sentiment from brands towards current anti-counterfeiting trends? Are they satisfied with enforcement efforts?

Brands in general recognise that so much of their inherent value is the protection of their brand—their name and their reputation. You don’t want to risk that in the marketplace, nor do you want the consumers of your goods to feel like you’re not protecting their interests. Some IP enforcement is a consumer-focused and driven, because you want to make sure your consumers want to continue investing in your brand.

In terms of how brands are viewing enforcement globally, people are generally pleased with the increased government attention on counterfeiting. I’d venture to guess that everybody thinks we could be doing more and that the laws could be stronger. But, by and large, if you compare 20 years ago to now, there has been a huge amount of progress.

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Heather McDonald, Anti-counterfeiting committee chair, International Trademark Association