

Distributing Counterfeit and Infringing Goods

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Overview

(1) How Goods are Protected

- Patents
- Copyrights
- Trademarks – Trade Dress
- Contractually

(2) Potential Infringement for Selling Other Party's Goods

- Distributor Liability - Vicarious and Contributory Infringement
- Internet Enforcement – Ebay and Alibaba
- Trade show infringement



Defining the Problem

What is a Counterfeit Good?

- Knock off of lesser value
- Grade “A” infringement

What is a Gray Market Good?

- Legitimate products that make their way into unauthorized channels
- There is no likelihood of confusion because it is a legitimate product



Protecting Products With Patents

- ◆ **Patents must be Registered**
- ◆ **Duration of Protection**



Protecting Products With Copyrights

Copyright Protection may extend to:

- Chips and embedded software
- elements of the product design
- packaging or labels
- catalogs and brochures

Statutory Damages and Attorneys fees





**Original?
Fanciful?**



Protecting Products With Trademarks

What is a Trademark?

- Trademarks act as source identifiers
- Examples
 - A company name
 - The name of a product (including part numbers)
 - The shape or design of a product



Example: Company Name and Product Names

Honeywell

DENSO North America

J.D. POWER
AND ASSOCIATES®



Protecting Products With Trademarks

Trade Dress

- Design and color of product may also be protected
- Will not extend to functional aspects
 - *Sleek Craft* case – black found to be functional
 - *Owings Corning* – pink color was not functional



Dana Corporation - Off-Highway Solutions - Products - Microsoft Internet Explorer

Address http://www.dana.com/offhighway_systems/products.shtm

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Additional Product Information

[Axles](#)
Our line of single-reduction and planetary drive axles include both rigid and steer versions, as well as non-drive steer axles and transaxles with load ratings from 1,200 to 140,000 pounds.

Products

Off-Highway Products
Spicer's product line is one of the most extensive in the world. It includes single-reduction drive and non-drive axles, steering and rigid planetary axles, transaxles, driveshafts, transfer cases and gearboxes, powershift transmissions, torque converters, brakes, and electronic controls.

New Products
Spicer Engineers are meeting the challenge of your specific requirements by designing [new products](#).

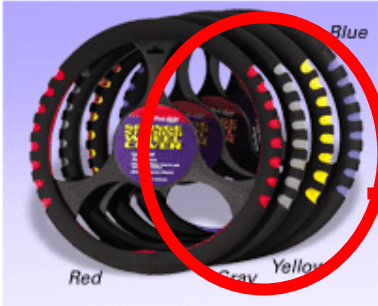
Testing Capabilities and Test Centers



Gray-highlight Sponge Steering Wheel Cover : JC Whitney, Parts and Accessories - Microsoft Internet Explorer

Address <http://www.jcwhitney.com/autoparts/Search?catalogId=10101&storeId=10101&sku=ZX488656N> Go


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STEERING WHEEL COVER

- Black premium-quality sponge material is highlighted with bright "finger grips"
- Riding comfort plus a fun look at a great low price
- Slips on to add a new look to any steering wheel

Posi-Grip lining ensures cover won't slip and puts a cushion of comfort between you and the wheel.



Item Description	Unit	Item #	Price	Qty.	Order
Gray-highlight Sponge Steering Wheel Cover	Each	ZX488656N	\$7.99	<input type="text" value="1"/>	ADD TO CART

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Colors
may not
be
functional



Protecting Products With Trademarks

Part Numbers can be Protected as a Trademark

- Must be non-descriptive and function as a trademark



Effective License Agreements

- ◆ Obtain warranties of non-infringement
- ◆ Obtain indemnities
- ◆ You can be on notice if the deal is too good
- ◆ Withhold some payment if possible



Effective License Agreements

- ◆ Never allow your supplier to register trademark
 - *Goodyear*
- ◆ Be named as an insured party



Part II:

Potential Infringement for Selling Other Party's Goods



Potential Liability

- ◆ **Distributor Liability**
- ◆ **Via the Internet**
 - Liability For Selling Your Company Web Site
 - Liability For Selling on Internet Auction Sites (eBay and Alibaba)
- ◆ **Trade Shows**



Distributor Liability

- Distributor can be held liable for selling infringing or counterfeit product
 - If it looks too good it probably is (inquiry notice)
 - Can be held criminally liable
 - Can also be sued for personal injury if you know or had reason to know it was infringing
- Direct Infringement
 - Strict liability for copyright infringement
 - Knowledge is required for trademark infringement



Vicarious Infringement

- There must be a direct copyright or trademark infringement (copyright is easier)
- The distributor has the ability to control and supervise the infringement
- You were financially benefiting from the infringement
- Financial partnership is required for vicarious *trademark* infringement



Contributory Infringement

- ◆ Must show there was a copyright or trademark infringement
- ◆ Distributor must have know (or had reason to know) of the infringement
 - Notice letters? Raid? Visits by investigators?
- ◆ Contributed to the infringement by failing to stop it



Distributor Liability - the Internet

Distributor can be held liable for infringement for selling infringing or counterfeit products on their Website

- Direct liability
- Vicarious Liability
- Contributory Liability



Direct Infringement?

The screenshot shows the SparkPlugs.com website interface. At the top, the address bar displays <http://www.sparkplugs.com/default.asp?KID=20>. The navigation menu includes Home, View Cart, Ordering Info, Contact Us, and FAQ. The main header features the SparkPlugs.com logo and the tagline "The Source for Sparkplugs". Below this is a "FIND YOUR PARTS" section with three search options: "APPLICATION SEARCH" (with a "Vehicle Type" dropdown menu), "PART NUMBER/CROSS-REFERENCE SEARCH" (with a "Part Number" input field and a "FIND IT!" button), and "SEARCH BY BRAND". The "SEARCH BY BRAND" section lists logos for K&N, KYB Gas Shocks, SplitFire, Autolite, NGK Spark Plugs, afe, DENSO, and CHAMPION. A "10%" discount tag is visible above the brand logos. Below the search section is a "FEATURED PRODUCTS" section with a bullet point: "▶ NGK Sparkplugs, Denso Spark plugs, Alternators, Fuel Pumps, Compressors, Splitfire, Champion, Autolite, KYB shocks and struts, Sparkplugs.com stocks them all." At the bottom, there is a small NGK logo, an image of four spark plugs, and a promotional message: "SAVE 10% ON KYB SHOCKS, USE".





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for a limited time only!
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*Standard shipping to continental U.S. 48 states only. Offer not valid on select oversized orders

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2006

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We carry the complete line of Bendix Brake Pads including

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Bendix® Fleet MetLok™

Provides severe duty braking for fleet vehicles. These part numbers end in "FM"

Bendix® SUV

Provides optimum performance for SUV's, minivans and light trucks. These numbers end in "SUV"

Bendix® CT-3™

Offer unparalleled performance, low dusting and ultra-quiet braking. These numbers end in "CT"



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Auto Parts

Make/Model Lookups
Batteries
Brakes
Filters-Intakes-Tornado
Lighting
Shocks & Struts
Wiper Blades

What Can You Do?

- ◆ Ask for permission
- ◆ Notice letter with response date
- ◆ Negotiate a license
- ◆ Include a notice and take down provision on your web site



Internet Auctions

Trademark Infringement

- ◆ Using other parties marks to draw attention to your products may not be permitted

Counterfeit Goods


- ◆ Counterfeit goods may not be sold via auctions on eBay or Alibaba



Trademark Infringement

Jeep 4" Drop Pitman Arm Dana CJ5 Cj7 YJ TJ XJ AMC 30 44 Item number: 7988945142

Seller of this item? [Sign in](#) for your status [Watch this item](#) in My eBay | [Email to a friend](#)



[Larger Picture](#)

Starting bid: **US \$44.99**

Buy It Now price: US \$49.99

(immediate payment required)

Time left: **2 days 17 hours**
7-day listing, Ends Jul-30-05 11:22:45 PDT

Start time: Jul-23-05 11:22:45 PDT


History: [0 bids](#)

Item location: The Valley, California
United States

Ships to: United States

Shipping costs: [Calculate shipping costs](#)
[Shipping and payment details](#)

Seller information

[Feedback](#) (143) 


Feedback Score: 143
Positive Feedback: 98.6%
Member since Oct-19-03 in United States

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 **PayPal Buyer Protection**
Free Coverage now up to \$1,000. [See eligibility.](#)

Description


I have a brand new 4" Drop Pitman Arm For Jeeps some Fords Some Chevys Etc.

This is a brand 4" Drop pitman arm. It fits Jeeps with power steering. And other makes with the taper spline steering box with 4 dead splines. This is a must for lift kits from 3"-5" or spring over conversions. Also works great for spring over with high cross over steering setup using the flat top knuckle on the passanger side. That's how I did my jeep. And my drag link is perfectly level, which equals zero bump steer on lifted vehicles. This pitman arm will work on CJ's Square headlighted wranglers and even the newer round headlight TJ's. Or if you put converted to power steering on your old CJ2a, CJ3a, CJ3B, M38, M38A1, or early CJ5. If your steering box doesn't have four dead splines you can use a hacksaw and cut the dead splines out of the pitman arm and make it fit in any position you want.

This item is being sold as-is, no returns, no refunds. Please ask all questions prior to bidding. Thanks for looking.

!!Check Out My Other Auctions!!

Lot # 0



XTREME Stage 2 Hi Steer Arms Dana 44 flatop

Item number: 7989655182

Bidder or seller of this item? [Sign in](#) for your status

[Watch this item](#) in My eBay | [Email to a friend](#)



[Larger Picture](#)

Current bid: **US \$110.00**

[Place Bid >](#)

Time left: **2 days 2 hours**
3-day listing, Ends Jul-29-05 19:40:29 PDT

Start time: Jul-26-05 19:40:29 PDT

History: [1 bid](#) (US \$110.00 starting bid)

High bidder: [spicar20](#) (32 ★)

Item location: Union, New Jersey
United States

Ships to: United States

Shipping costs: US \$9.00 - US Postal Service Priority Mail® (within United States)

[Shipping and payment details](#)

Seller information

[sly](#) (91 ★)

Feedback Score: 91
Positive Feedback: 98.9%
Member since Sep-24-99 in United States

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Special Summer Offer NEW!

Buy today and make no payments for 3 months
and no interest if paid in 3 months when you use PayPal Buyer Credit. Total purchase must be over \$50. Subject to credit approval. US residents only.
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Description

Up for auction is a new set of Xtreme stage 2 Hi Steer arms to fit Dana 44 flatop knuckles for SOA steering conversions. Winning bidder will be able to get the arms with either terod or heim joint holes just let me know. Arms are made from the Investment Cast process same used to make all aerospace parts. Material is 1045 Cromolly steel. Arms are finished with a black Oxide Coating. The quality of these arms are second to none and come with a Lifetime Warranty. Hi Steer Arms also come cast with the 10 degree twist so the terod or heim joint mount perfectly flat. Arms also mount to the knuckles with the standard cones from GM and 9/16 studs or bolts I also have them available if you need them. Arms are 100% made in the USA!!! Good Luck !!!!



[Shipping and payment details](#)


Internet



Counterfeit Goods?

Champion REM 38S Spark Plugs Item number: 4584365617

Seller of this item? [Sign in](#) for your status [Watch this item](#) in My eBay | [Email to a friend](#)



[Larger Picture](#)

Starting bid: **US \$450.00**
[Place Bid >](#)

Time left: **1 day 8 hours**
5-day listing, Ends Jul-29-05 21:30:51 PDT

Start time: Jul-23-05 21:30:51 PDT

History: **0 bids**

Item location: Norman, Oklahoma, United States

Ships to: United States

Shipping costs: US \$10.00 - UPS Ground (within United States)
[Shipping and payment details](#)

Seller information

[jonesr1311](#) (611 ★)


Feedback Score: 611
Positive Feedback: 100%
Member since Aug-27-97 in United States

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 **PayPal Buyer Protection**
Free Coverage now up to \$1,000. [See eligibility.](#)

Description

One full box (12) Champion Spark Plugs REM 38S in factory sealed plastic cases that come in a factory box. These plugs are new and list for \$64.25 each from Aircraft Spruce, thus a box of 12 would be \$771.00. These Iridium S spark plugs replace the Platinum and "W" Iridium types, increase bore diameter, improves scavenging action, greater clearance volume can accept more combustion deposits. Spark plug features offer greater resistance to lead attack. Easy to clean and gap. Shipping charge \$10.00 UPS ground.



[FREE Counterfeit and Services from Andala](#)

Shipping and payment details

Shipping Cost	Services Available	Available to
US \$10.00	UPS Ground	United States Only

Will ship to United States.


Shipping insurance

Counterfeit?



Champion spark plug wires Item number: 7909120015

Seller of this item? [Sign in](#) for your status [Watch this item](#) in My eBay | [Email to a friend](#)



[Larger Picture](#)

Starting bid: **US \$14.99**

Time left: **3 days 22 hours**
 7-day listing, Ends Jul 31 05 12:08:35 PDT

Start time: Jul 24 05 12:08:35 PDT
 History: [Q bids](#)

Item location: LEBANON, OR
 United States

Ships to: United States, Canada

Shipping costs: Check item description and payment instructions or contact seller for details
[Shipping and payment details](#)

Seller information

[robby4youandm](#) (16 ★)


Feedback Score: 16
Positive Feedback: 100%
 Member since Dec-17-04 in United States

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[Safe Buying Tips](#)

Description (revised)

up for bid, Champion spark plug wires set of six: 42", 39", 36", 32", 29" and 27 1/2" long thanks for looking and have a great day



Select a picture

FREE Counters and Services from Andale

Shipping and payment details

Services available
 Check item description and payment instructions or contact seller for details.
 Will ship to United States, Canada.

Seller's payment instructions & return policy
If paying by money order send payment to walk route po box 7343 lebanon, Or 97355 if you have any questions call (541) 451-4543

How do you know if legitimate?



TOYOTA / DENSO AIR CONDITIONING COMPRESSOR

Item number: 4565674181

Seller of this item? [Sign in](#) for your status

[Watch this item](#) in My eBay | [Email to a friend](#)



[Larger Picture](#)

Starting bid: **GBP 50.00**
(Approximately US \$88.64)

[Place Bid >](#)

Time left: **17 hours 59 mins**
5-day listing, Ends Aug-04-05 02:02:38 PDT

Start time: Jul-30-05 02:02:38 PDT

History: [0 bids](#)

Item location: West Sussex
United Kingdom

Ships to: Worldwide

[Shipping, payment details and return policy](#)

Seller information

[grimm34](#) ([105](#) ★)

Feedback Score: 105

Positive Feedback: 100%

Member since Oct-04-02 in
United Kingdom

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Description



Infringement at Trade Shows

Exhibitor liability at Trade Shows

- Remove product from exhibit if alerted to infringement
- Trade show may shut down your booth if you are distributing infringing goods since normally permitted in the exhibitor agreement
- Can be held liable for vicarious or contributory infringement



How To Protect Yourself

- ◆ Agreements with your suppliers
 - Indemnities
 - IP warranties
- ◆ Educate Yourself
- ◆ Act when notified of an infringement



Questions?

