

EFWG-02-03

MEMA & CONTINUED EFFORTS ON COUNTERFEIT AUTO PARTS

June 26, 2013

Continued Effort on Counterfeit Auto Parts

- MEMA represents 1000 manufacturers of motor vehicle parts
- Regularly meet with NHTSA and law enforcement
- Coordinate with member companies
- Individual Actions

IPR Center

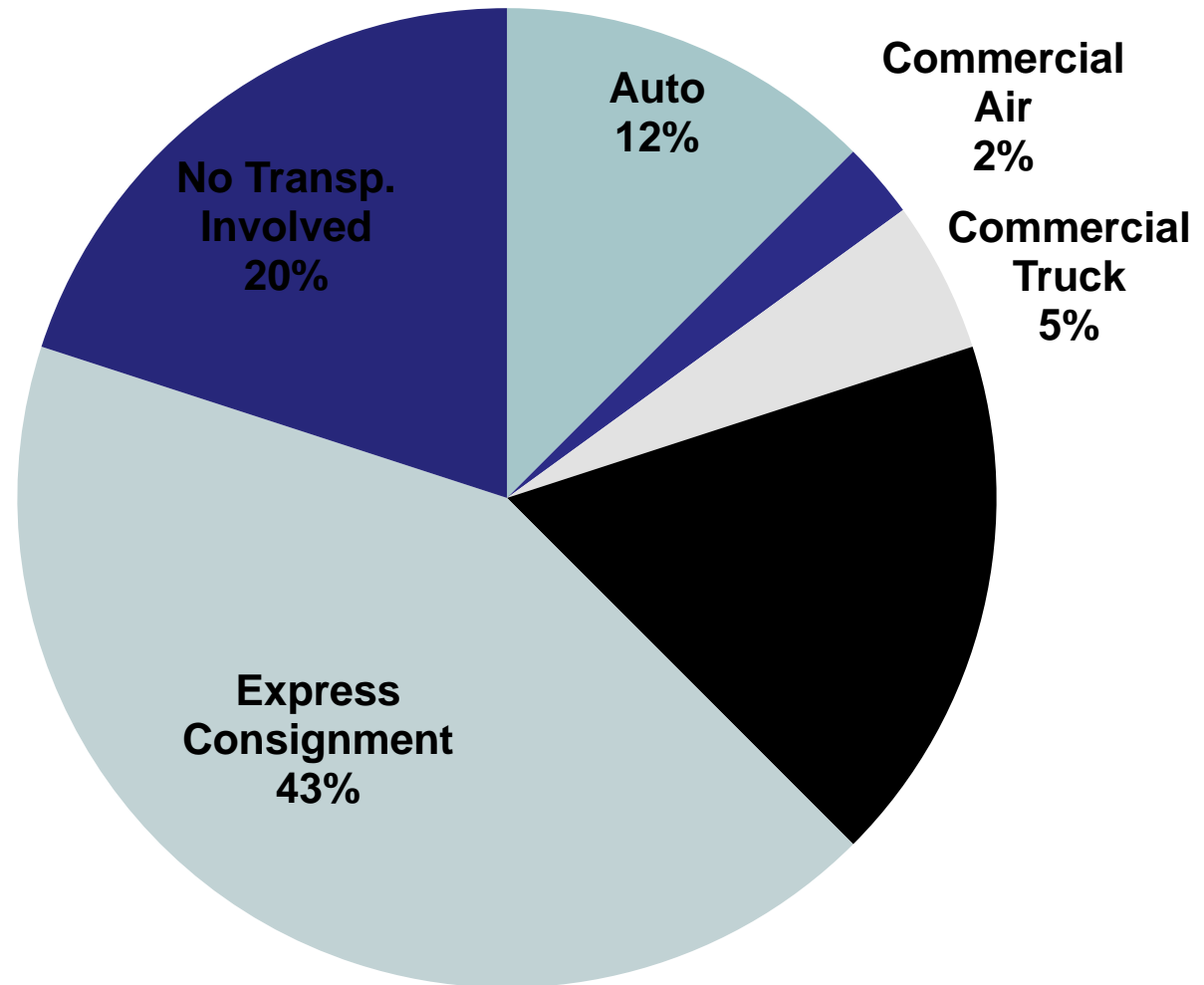
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Property
Rights
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Center

- In 1999, started with two agencies US Customs and FBI
- In 2008, the IPR Center was recreated with ICE, CBP, FBI, USPS, FDA, and DOC
- Today the IPR Center is a collaborative effort of 21 federal and international agencies that focus on Intellectual Property theft and Customs Fraud



FY 2013 Automotive Seizures Shipping Environment

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DHS Seizure Statistics

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- FY2012, \$5,291,713 (MSRP) seized related to counterfeit automotive items.
- Of \$5.2 million seized, over \$2.1 million in airbag seizures by CBP and HSI.
- Seized merchandise includes both parts and accessories such as sunshades, floor mats, steering wheel covers, etc.
- FY2013 to date, \$953,105.
- FY 2013 seizures include airbags, keys, diagnostic equipment, front grilles, brake shoe kits.

Statistical Information

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Airbags

- 30 investigations
- 10 arrests
- 8 indictments
- 3 convictions
- 4,720 airbag seizures since FY2010

Operation Engine Newity

- 43 investigations
- 11 arrests
- 16 indictments
- 6 convictions

Engine Newity Cases

National Intellectual Property Rights Coordination Center



- In 2012, a U.S. parts manufacturer responsible for manufacturing engine ignitions for high performance vehicles identified a number of online sellers, selling counterfeit automotive engine ignition.
- An investigation was opened and investigators discovered the online sellers were purchasing all of their counterfeit parts from a supplier located outside the U.S.
- In April 2012, agents arrested the owner of the supplier company and seized their business laptop. The information gathered has led to additional investigations.
- Currently the subject has been indicted and detained awaiting trial for the allegedly violating title 18 U.S.C 2320 (trafficking of counterfeit goods).

Industry Efforts on Counterfeit Auto Parts

Example -

- A raid was conducted May 23 by local officials where they confiscated 12,800 brake pads and 3,900 damping pads.
- Case is in litigation
- Included supplier counterfeits as well as major OEM counterfeits.
- Major concern is counterfeits were safety parts

Example –

- Counterfeit parts manufactured
- Repackaged with MEMA member company logo in another country
- Subsequently distributed

Questions or Comments

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