The following is a compendium of news reports over the last three months that may be of interest to our AG offices that are dealing with intellectual property issues. Neither the National Association of Attorneys General nor the National Attorneys General Training & Research Institute expresses a view as to the accuracy of news accounts nor as to the position expounded by the authors of the hyperlinked articles.

**July-September 2015**

**News from AG Offices**

_Massachusetts Attorney General Maura Healey_ announced that an Avon man was sentenced to one year in jail, but will only serve 90 days, after pleading guilty to numerous crimes involving counterfeiting motor vehicle inspection stickers.

_Mississippi Attorney General Jim Hood_ announced that a Tennessee resident, Ali Said Khdeir, was recently arrested and has been charged for selling counterfeit goods and possession with intent to sell counterfeit goods. During the operation, investigators observed Khdeir selling a large number of alleged counterfeit NFL hats and the prescription pills Viagra and Cialis to a general store in Kosciusko.

_General Hood_ also announced the arrest of a Pontotoc County man on charges related to the sale of counterfeit products. A tip from a concerned citizen led investigators to Henry Davis, 49, who was found selling counterfeit goods such as wallets, football hats and jerseys, and purses.

_New Jersey Acting Attorney General John Hoffman_ announced that Christian Lusardi pled guilty to trademark counterfeiting and criminal mischief in the Superior Court of Atlantic City. In 2914, he brought counterfeit chips to the Borgata Winter Tournament. When players and staff began to question the chips, he tried to flush them down the toilet of his room at the nearby Harrah’s Resort. Lusardi is already serving a five-year sentence for his role in a $1 million dollar DVD piracy operation.

**Federal Legislation**

Legislation has been introduced in the Senate and House to help combat the loss of billions of dollars each year to the theft of trade secrets. The Defend Trade Secrets Act, S. 1890 and H.R. 3326, would create a federal private right of action to companies whose trade secrets have been stolen. The bill has bipartisan support.

There is increasing controversy around the bills in Congress that are attempting to address the patent troll issue. H.R. 9 and S. 1137, which passed the House and Senate Judiciary committees in June with bipartisan support have come under attack by conservatives who are concerned that it will make it more difficult for patent holders to sue alleged infringers if the bills pass. Another recent bill that has the
potential of discouraging patent troll lawsuits in the federal courts is H.R. 758; it passed the House on September 17. The bill, called the Lawsuit Abuse Reduction Act of 2015, would amend Rule 11 of the Federal Rules of Civil Procedure to mandate that a court impose appropriate sanctions on any party who is responsible for violating the rule regarding representations to the court.

State Intellectual Property Theft Investigations/Prosecutions

California

July 31, 2015: Tinley Park police arrested two men, Mark Duckson of South Carolina and Joseph Williams of Pennsylvania, and charged them with trademark violations. They were allegedly trying to sell counterfeit J. Cole concert t-shirts.

Colorado

Aug. 25, 2015: Denver police warned consumers that counterfeit tickets for the Taylor Swift Concert were allegedly being sold on websites.

Illinois

Sept. 27, 2015: Homeland Security Investigators arrested Daniel Thomas, 36, outside of Wrigley Field on charges that he was selling counterfeit Cubs hats. He admitted that he had sold counterfeit goods at sporting events in six states since 2013 and was wearing an ankle bracelet as a result of one of those incidents.

Indiana

Aug. 19, 2015: The Roseland Police Department arrested Rodney Pole Jr. on a charge of counterfeiting. He was allegedly selling counterfeit Notre Dame football tickets.

Michigan

Aug. 27, 2015: Police have arrested two men for selling counterfeit wristbands for admission to a Michigan International Speedway race event and Faster Horses concerts. They have been charged with false pretenses and using a computer to commit a crime.

Aug. 12, 2015: Michigan state police have seized more than 6,400 counterfeit products that were being sold in 10 Sleeping Tiger stores across Michigan. Police have arrested Timothy Roger Szubinski and charged him with delivery of counterfeit products. The investigation began as a probe into potential tobacco tax violations. Police also seized over 4,500 tobacco products. In addition to the charges regarding counterfeit products, Szubinski has also been charged with tax violations.

New Jersey

Aug. 17, 2015: A joint investigation by the Middlesex County Prosecutor’s Office, the U.S. Department of Homeland Security, the U.S. Postal Inspector, and the new Jersey Department of Treasury has led to the arrest of Kam Wa Chan, 51, and his wife, Yuet Kai Wong, 47. They have been charged with second-
degree counterfeiting, money laundering, and conspiracy after a search of their home resulted in the seizure of more than 150,000 counterfeit watches, watch parts, and equipment to assemble watches. If the watches had been authentic, they would have retailed for more than $15 million.

July 2, 2015: After a six-month investigation by the Essex County Prosecutor’s Office Intellectual Property Task Force, with assistance from Department Of Homeland Security agents, two men have been arrested and charged with counterfeiting and piracy. Investigators found more than 12,000 stolen and counterfeited CDs and DVDs in two stores in Newark.

Ohio

July 18, 2015: Pike County Sheriff’s officers arrested William Randall Preece on charges of trafficking in counterfeit controlled substances, a fifth degree felony.

Oklahoma

July 23, 2015: An Oklahoma County Court sentenced Isaac Bruce Broussard to a ten-year suspended sentence, with the first 30 days in jail, and the payment of full restitution of $274,061.92 to his former employer, Packers Plus Energy Services (USA), Inc., for the theft of trade secrets. While working for Packers Plus, Broussard accepted a job offer from a competitor. Broussard then copied confidential information including trade secrets before he left his employment.

Tennessee

July 23, 2015: Nashville police executed a search warrant at AA Mart in the city and confiscated 150 counterfeit sports hats. While at the store, they also found the narcotic khat.

Virginia

Sept. 8, 2015: Virginia State Police arrested seven men and seized more than $500,000 worth of counterfeit merchandise at a flea market in Hillsville. All seven were charged with being in violation of registration and protection of trademarks. Among the items seized were counterfeit cell phone accessories, jackets, and perfumes.

Washington

Aug. 21, 2015: Seattle police are investigating a man from whom undercover officers purchased counterfeit Viagra, Cialis, and Levitra pills advertised on Craigslist. A search warrant executed at the suspect’s apartment led to the seizure of nine boxes of miscellaneous pills, three computers, three cellphones, and an unknown amount of cash.

Information of General Interest

New Hampshire safety officials sent out a statewide alert in July regarding suspected counterfeit tourniquets. Personnel from the Woodside Rescue Ambulance Crew, responding to a motorcycle accident, used a tourniquet which broke when it was being applied.
Microsoft’s Window 10 has a mechanism that can disable pirated games, hardware, and software on a user’s computer.

U.S. Customs and Border Protection seized 1,100 pieces of counterfeit designer jewelry at the express-consignment facility in Louisville, Kentucky, in July.

Wimo, Inc., who makes mobile phone protective cases and other accessories under the Lunatik brand name, has sued eBay and PayPal, alleging that they knowingly allowed the sale of counterfeit products. It claims that it has sent more than 5,500 Notices of Claimed Infringement by at least 2,200 individual eBay registered sellers since February 2013. The lawsuit accuses the two companies of racketeering under the RICO Act.

A federal judge sentenced a Florida woman to 18 months in federal prison for selling counterfeit MAC makeup. She was also ordered to pay MAC restitution in the amount of $961,744.75.

Another prosecution in federal court in Connecticut led to a New York man pleading guilty to supplying customers counterfeit microprocessor chips, many of which were sold and used by the U.S. military.

A recent study, conducted by an associate professor of public health at New York University, found that 15 percent of cigarettes sold through New York City had counterfeit tax stamps but were still being sold at full price.

The chairman and CEO of Electronic Recyclers International (ERI), John Shegerian, called counterfeit electronics the latest threat to personal, professional, and government safety and security.

A judge in the U.S. District Court for the Eastern District of New York granted Moose Toys the authority to seize counterfeit goods and business records of retailers that were selling counterfeit Shopkins products.

Lawyers for Disney, Marvel, Lucasfilm, and Sanrio have filed a lawsuit in federal court in California alleging that individuals used an eBay store to sell counterfeit edible cake frosting sheets and related items incorporating unauthorized likenesses of animated or live action characters or other logos owned by the plaintiffs. The lawyer involved in the case recently settled a lawsuit with the makers of Darth Vader cufflinks and is currently involved in a case regarding the legality of Batmobile replicas.