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 2014

News from Attorneys General Offices

Massachusetts Attorney General Martha Coakley announced that a father and son have been indicted in connection with running a counterfeit motor vehicle inspection sticker scheme. It is alleged that the defendants created and issued the stickers to vehicles that would not otherwise have been able to pass safety or emissions standards.

New Jersey Acting Attorney General John Hoffman announced that a statewide grand jury indicted two men for conspiring to sell more than 23,000 counterfeit DVDs and CDs stored in a Newark warehouse. The men were indicted on second degree conspiracy, second degree counterfeiting trademarks, and third degree pirating.

Federal Legislation

The House Judiciary Committee approved H.R. 5233, the Trade Secrets Protection Act of 2014. If the bill becomes law, it would allow firms to seek civil penalties for the theft of trade secrets.

The Responsible Electronics Recycling Act, H.R. 2791, S. 2090, is still in committee in both the House and the Senate. Although, on the surface, this bill seems to be mainly concerned with protecting the
environment, a recent article in Roll Call details how its passage is also important in protecting the military supply system against counterfeits.

State Intellectual Property Theft Investigations/Prosecutions

**Alabama**

**Sept. 9, 2014:** Baldwin County Sheriff’s officers stopped a vehicle on I-65 and viewed boxes inside. When the driver was questioned about the contents, he admitted that he had some counterfeit items with him. A subsequent search of the vehicle recovered more than 200 counterfeit items, including Louis Vuitton, Polo, and Beats by Dr. Dre. After contacting a subject matter expert who confirmed that the items were, in fact, counterfeit, local prosecutors will be presenting the case against Ryan Phifer to a grand jury.

**California**

**Aug. 14, 2014:** Three people who were caught selling counterfeit CDs and DVDs at a Winchester swap meet were ordered to pay more than $18,000 in restitution and fines and serve from 60 to 150 days in jail.

**Georgia**

**Aug. 20, 2014:** The Fairmount Police Department arrested Rahim Morani of Atlanta on allegations that he was distributing counterfeit DVDs from Tennessee to Florida. Police noticed that convenience stores in the area were selling DVDs and queried owners to determine where they had obtained them.

**July 7, 2014:** A Rockdale County Sheriff’s Office Deputy stopped a car on I-20 for a traffic violation. The driver of the car allowed a K-9 to sniff the car for drugs. When the dog alerted, the deputy searched the car and found large trash bags and boxes containing counterfeit items such as Michael Kors purses, Nike Air Jordans, and Gucci products. He also found a marijuana blunt inside the passenger’s purse. The driver was arrested and charged with possession of counterfeit goods.

**Kentucky**

**Aug. 11, 2014:** Two men were arrested for selling counterfeit goods at the U.S. 127 Yard Sale in Anderson County. Local police confiscated items such as Beats by Dr. Dre headphones and Under Armour shirts. Police also confiscated a truck and trailer.

**Massachusetts**

**Sep. 4, 2014:** Hadley police seized nearly 500 allegedly counterfeit DVDs that were being offered for sale at the Olde Hadley Flea Market.

**Aug. 30, 2014:** A Blackstone shop owner, Diana Glassey, was arrested and arraigned in Uxbridge District Court on a counterfeiting charge. An investigation discovered more than counterfeit items for sale at
her store, Diana’s Leather and Lace, after Blackstone police and an investigator purchased items there. Counterfeit sports clothing were also found at a nearby store owned by her husband.

**July 10, 2014:** A *Massachusetts grand jury* has indicted a man who allegedly sold more than 3,000 fake Massachusetts Bay Transportation Area (MBTA) passes for $60,000. The MBTA lost over $225,000 in revenue. According to authorities, in some months, fake passes were used by riders more than 15,000 times.

**Nevada**

**Aug. 30, 2014:** In *Reno*, a man who had purchased what he discovered to be counterfeit tickets to the Wolf Pack home opener was stabbed in the leg when he confronted the seller. Police are looking for the perpetrator.

**Aug. 14, 2014:** A traffic stop by a *Nevada state trooper* on I-80 has led to the arrest of three California women for trademark counterfeiting and other crimes. The car contained more than 100 counterfeit clothing items.

**New Jersey**

**Sept. 5, 2014:** *Authorities* seized nearly $11,000 worth of knockoff merchandise at a store on the Seaside Heights Boardwalk. Among the items seized were watches, sports jerseys, and sun glasses. Both the owner and the managers of the store have been charged with distributing counterfeit goods.

**Aug. 5, 2014:** *Millburn Police* arrested four Chicago men for allegedly attempting to exchange counterfeit I-Phones for authentic ones at an Apple Store.

**New York**

**Sept. 16, 2014:** After receiving complaints, *police officers in Buffalo* found two individuals, Alvin Hinnant, and a 15-year old, who were selling counterfeit tickets to Buffalo Bills games. A total of 15 fake tickets were found. Hinnant has been charged with possession of a forged instrument, trademark counterfeiting, and scheme to defraud.

**Sept. 12, 2014:** *Buffalo police officers* arrested Jayquan Rivera for selling fake Buffalo Bill game tickets to undercover officers. According to reports, Rivera sold the officers the counterfeit tickets for $600. Rivera was charged with larceny, possession of a forged instrument, trademark counterfeiting, and scheme to defraud.

**Aug. 30, 2014:** Cy Ismael of New York City was arrested by the *Albany County Sheriff’s Department* on charges of trademark counterfeiting, scheme to defraud, and other charges. Police conducted an undercover investigation that led to a listing on Craig’s list for Jason Aldean tickets which turned out to be counterfeit.
Aug. 19, 2014: A New Rochelle man has been arrested and is facing felony charges for selling counterfeit pocketbooks, wallets, and ball caps to the owners of a local gas station. He faces two counts of second-degree trademark counterfeiting.

Aug. 15, 2014: The Queens County District Attorney announced the arrest of a Rockville Centre man for making and selling counterfeit Long Island Rail Road tickets.

July 5, 2014: Brooklyn resident Leonard James pled guilty to second degree trademark counterfeiting after being found with dozens of counterfeit DVDs.

North Carolina

Sept. 15, 2014: Officers from the Dare County Sheriff’s Office were in place to conduct a traffic stop on a vehicle when a bag was tossed out of its window. When the bag was recovered, it seemed to contain a counterfeit controlled substance. Fedrick Johnson has been arrested and charged with possession with the intent to sell/deliver counterfeit controlled substance and to create a counterfeit controlled substance, along with other charges.

July 7, 2014: Laurinburg police and state agents seized counterfeit merchandise from two stores. The counterfeit bag and clothing were found at two locations: Wampler’s Jewelry and Handbags and Athletic Warehouse, located in a shopping center.

Articles of General Interest

An Australian newspaper wrote a detailed article about the crackdown by Manhattan District Attorney Cyrus Vance on intellectual property theft from financial firms.

The Washington Post featured an article on the number of cyber attacks on a Florida biofuel company, Algenol. Reportedly, 63,000 of these attacks came from China, many of those from IP addresses associated with the Peoples’ Liberation Army.

Counterfeit USB drives being sold on Amazon contain small amount of storage.

Federal officials have indicted a Wisconsin pharmacist and a Nevada pharmacologist for allegedly supplying an illegal online drug seller with counterfeit prescription drugs. It is further alleged that the drugs were sold to an Internet pharmacy based in Costa Rica which then resold to clients in the United States.