

PRESS RELEASE | December 5, 2019

Footwear Industry Applauds New Legislation Aimed at Curbing the Surge in Counterfeit Footwear Harming American Shoe Consumers and Companies

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NIKE, Wolverine Worldwide, Columbia Sportswear, Deckers Brands quotes below

Today, the Footwear Distributors & Retailers of America (FDRA), America's largest and most respected footwear trade association representing 90 percent of the entire industry, applauded the introduction of new legislation in Congress to give U.S. Customs and Border Protection (CBP) additional tools to prevent counterfeit footwear from entering the U.S. The bipartisan legislation (Counterfeit Goods Seizure Act of 2019) was introduced today by Senators Thom Tillis (R-NC), Chris Coons (D-DE), Bill Cassidy (R-LA) and Mazie Hirono (D-HI) and is in response to hearings this year focused on intellectual property issues where FDRA loudly raised its growing concerns on this issue.

The shoe industry has seen a large increase in counterfeits entering the country aimed at tricking consumers, yet U.S. Customs and Border Protection (CBP) lacks the proper enforcement to prevent some counterfeits. Relying on seizures based on just trademark rights is no longer effective. Counterfeiters around the world have become more creative, shipping identical looking products without the trademark and then attaching traditional trademarks after it clears U.S. customs. This legislation would provide CBP the legal authority to end such enforcement loopholes.

FDRA President and CEO Matt Priest commented:

"Footwear companies spend hundreds of millions of dollars each year to design, produce, and ship innovative footwear to Americans. Counterfeit footwear threatens jobs in our industry and puts our consumers' trust at risk. We face unprecedented challenges when it comes to protecting our IP and fighting the surge of counterfeit footwear entering the U.S. The bipartisan legislation introduced today by Senators Tillis, Coons, Cassidy, and Hirono will finally give U.S. Customs and Border Protection (CBP) the additional tools it needs to better identify and seize counterfeits shoes. We applaud these leaders in working together to protect shoe brands and consumers and urge a speedy approval of this legislation by Congress and President Trump."

Read FDRA's testimony before the U.S. Senate of these issues.

Margo Fowler, VP, Chief Intellectual Property Officer, NIKE commented:

"Serving athletes and our consumers is at the heart of everything we do. The proposed legislation further empowers U.S. Customs and Border Protection to help protect consumers from counterfeit products. It would enable them to identify and seize intended counterfeits that copy Nike's products protected by U.S. design patents. We appreciate the leadership of Senators Tillis, Coons, Cassidy and Hirono in sponsoring this important legislation."

Mike Jeppesen, President of Global Operations, Wolverine Worldwide commented:

"Wolverine strongly supports the extension of full border enforcement protection to design patents. Enabling Customs and Border Protection ("CBP") to enforce design patents at the border will fill a significant gap in the

United States intellectual property enforcement regime. Border enforcement of design patents would not only help companies that invest in innovation, but also protect consumers from counterfeits and knockoff products. This is an important time to enhance consumer protection as the growth of ecommerce has made it easier than ever to trick consumers into purchasing counterfeits and knockoff products. A number of other countries (including China, Japan, South Korea, the European Union, India, and Mexico) already provide for the enforcement of design patents and design registrations through customs. Evidence shows that this has helped these countries meaningfully stem the flow of counterfeit and knockoff products. It is time for the US to implement this proven mechanism for protecting suppliers and consumers."

Peter Bragdon, Executive Vice President and General Counsel, Columbia Sportswear Company, commented:

"At Columbia Sportswear Company we fight aggressively against design patent infringement, which threatens U.S. consumers, companies and individual innovators. We're pleased to support legislation giving U.S. Customs and Border Protection new tools to combat unlawful design patent infringement, particularly the ability to seize imported infringing products before they enter the U.S. market. We look forward to working with policy makers to strengthen the role of U.S. Customs and Border Protection, a critical partner in the battle against infringement."

Tom Garcia, SVP, General Counsel, Corporate Sustainability and Compliance Officer, Deckers Brands, commented:

"As a leader in innovative designs in footwear, apparel and accessories, Deckers Brands strives to give our consumers the best possible experience. Counterfeiters try to benefit from our popularity by fooling consumers into purchasing counterfeit products. We support efforts, including this legislation, to provide U.S. Customs and Border Protection with the tools it needs to identify and seize products that violate design patent rights."

About FDRA

FDRA is governed and directed by footwear executives and is the only trade organization focused solely on the footwear industry. Serving the full footwear supply chain, it boosts its members' bottom lines through innovative products, training, consulting on footwear design and development, sourcing and compliance, trade and customs, advocacy, and consumer and sales trend analysis for shoe retailers around the world. FDRA supports 500 companies and brands worldwide, representing 95% of the total U.S. footwear industry. Learn more: **fdra.org**