

January 27, 2025

The Honorable Daniel Lee
Assistant U.S. Trade Representative for Innovation and Intellectual
Property Office of the United States Trade Representative
600 17th Street Northwest
Washington, D.C. 20508

Re: 2025 Special 301 Review: Identification of Countries Under Section 182 of the Trade Act of 1974 (Docket Number USTR-2024-0023)

Dear Mr. Lee:

On behalf of the Footwear Distributors & Retailers of America (FDRA), thank you for the opportunity to participate in the 2025 Special 301 Review. I request to testify at the public hearing on February 19, 2025.

FDRA is the footwear industry's trade and business association, representing more than 500 footwear companies and brands across the U.S. This includes the majority of U.S. footwear manufacturers and over 95 percent of the industry. FDRA has served the footwear industry for 80 years, and our members include a broad and diverse cross section of the companies that make and sell shoes, from small family-owned businesses to global brands that reach consumers around the world.

Our member companies work hard to design, produce, and deliver shoes to U.S. consumers. Each year, more than 2.3 billion pairs of shoes cross U.S. borders (about 7 pairs of shoes for every man, woman, and child in America). Many of our footwear companies also sell brands that reach consumers in markets all over the world. These companies manage supply chains that span the globe, so they understand the importance of protecting intellectual property (IP) and innovation.

As the U.S. works to strengthen IP protection and enforcement for American workers, businesses, and consumers, FDRA encourages the Administration to enter into new bilateral or multilateral trade agreements with our trading partners. The Administration should also leverage our existing trade agreements to address IP shortfalls in specific countries. Free trade agreements serve as a key tool for driving positive change in countries around the world and advancing strong IP protections for a 21st century economy.

In addition, FDRA recommends the Special 301 Committee closely examine the multinational problem of increasing sales of counterfeit products on online buying platforms, including those that tap into social media to promote counterfeits. Specifically, these platforms compensate social media influencers to publicly

endorse the purchase of counterfeit goods, which both normalizes those purchases and broadens the reach of the counterfeit operations. In other words, these online platforms pay to promote a narrative that the purchase of fake merchandise is socially acceptable. Some of these platforms also broadcast their ability to remove listings for counterfeit goods, without actually doing so, leading to more mistaken purchases by consumers seeking authentic products. In addition, counterfeit goods sold online may take advantage of the marketplace's status as a supposed "facilitator" and use the marketplace's alleged authentication or policing and removal methods as a shield to avoid liability for counterfeiters.

For the 2025 Special 301 Report, we have divided country-specific issues into two sections: major footwear sourcing hubs and additional markets. Fighting counterfeiting is particularly important in key sourcing locations, given the large volume of manufacturing, machinery, and footwear production knowledge in each of these countries.

Major Footwear Sourcing Countries

China

FDRA is hopeful that the Chinese government, both at the national and sub-national levels, will over time become increasingly aware of the value – both to Chinese consumers and to the Chinese economy – of vigorously protecting IP. Our member companies continue to experience challenges with bad faith trademarks and other IP protection shortfalls in China. It is also difficult to foster collaboration with different platforms that are not required by law to work with brands to reduce counterfeits and knockoff goods.

Fighting counterfeits in China

China is still the number one source of counterfeit goods imported into the U.S. Within China, local officials often turn a blind eye to counterfeiting activity. FDRA members have raised several concerns regarding counterfeit goods sold in China:

- ***Continued rise in knockoff products:*** FDRA members have witnessed a rise in knockoff products made in China that copy iconic product designs and replace or remove famous trademarks. Such infringement steals the IP of U.S. footwear brands, misleads and confuses consumers (including Chinese consumers), and undermines the significant investments and goodwill U.S. brands have made in protecting their product designs. Chinese IP laws provide some legal remedies for knockoff infringement, such as the protection of iconic product design under China's Anti-Unfair Competition Law (AUCL). FDRA remains hopeful that companies will see more guiding cases from Chinese courts on AUCL enforcement against knockoffs and that the administrative authorities will apply the AUCL more broadly to target knockoff infringements.
- ***Problematic regions:*** The Provinces of Guangdong, Zhejiang, and Fujian pose

challenges for footwear brands, because all three are major footwear hubs, producing both legitimate footwear as well as counterfeit products. Putian still remains the largest counterfeit manufacturing area and the major source of high-quality counterfeit shoes. FDRA member companies observed an increasing trend where unauthorized retailers in brick-and-mortar markets sell genuine and fake products with misleading storefront decoration. The rights holders bear a high burden of proof in verifying all seizures onsite while counterfeit sale records are not able to be obtained.

- ***Online to Offline (O2O) enforcement gaps:*** O2O enforcement brings numerous new challenges, and there is a need for greater collaboration from platforms. Working with platforms in China can be time consuming for brands. In some cases, it may take months to obtain data in collaboration with platforms. The quality of data provided is often limited, as some platforms have no obligation to provide full disclosure and transparency of transactions involving counterfeits. In addition, there is no consistent standard for adopting digital evidence in different procuratorates and courts. In practice, courts in Eastern China are more accepting of online transaction records, whereas courts in other provinces are much more conservative. In criminal proceedings, there is an increasing trend for courts to impose monetary fines rather than imprisonment; for civil litigation, courts have awarded lower compensation amounts than in the past. Despite these challenges, some platforms remain supportive of rights holders and undertake efforts for investigations and cross regional enforcement to try to eradicate counterfeit supply chains – tracing all the way from online or offline retail targets to counterfeit manufacturing sources. FDRA members appreciate such efforts and hope to maintain this momentum.

Navigating the difficult legal landscape

China's complex legal landscape poses many challenges for U.S. brands. FDRA member companies have raised the following issues:

- ***Bad faith trademark filings:*** Because China is a first-to-file jurisdiction, a well-established U.S. brand may discover that an unrelated Chinese party has already registered the brand's trademark. Bad actors do this to exploit the reputation of the U.S. brand or to force the American company to pay a fee to "buy back" the rights to its own trademark. FDRA members continue to see a high volume of bad faith infringing trademark applications allowed to publish for register. This forces legitimate brand owners to file opposition and invalidation actions. Doing so wastes limited resources, increases pressure on China's National Intellectual Property Administration (CNIPA), and drives up costs for American companies. While CNIPA has been an active partner for U.S. brands in working to combat bad faith filers, it must continue to prioritize this challenging issue.
- ***Trade dress concerns:*** China technically recognizes trade dress registration as an available protection in its trademark legislation. In practice, however,

standards of review for trade dress applications are unclear and burdens of proof are unrealistically high, making it very difficult and often impossible for brands to obtain registration for a nontraditional mark. FDRA member companies would like to see more realistic and consistent standards of review so that trade dress is, in practice, a granted right.

- ***Design patent filing shortfalls:*** China has a limited grace period for design patent filings where the disclosure is unauthorized or at a government-led trade show. However, there is a need for further harmonization with the majority of other countries where the grace period has only a timing limitation, such as requiring the filing within one year from the date of disclosure.
- ***Potential new enforcement tool:*** The Standing Committee of the China National People's Congress released the Draft Amendment to the AUCL. Compared to previous revisions, this third amendment expands the AUCL to a larger scope to address the challenges of the Internet era. It would increase responsibilities and liability for platform operators; expand the scope of "Confusion Acts" by adding "unauthorized use of another party's influential product name, company name (including abbreviations, trade names, etc.) as search keywords"; and strengthen administrative enforcement. These changes, if enacted, could benefit rights holders with greater tools to combat bad actors and increase accountability for platforms operating in China.

Mexico

Since the new administration in Mexico took office late last year, our member companies have seen some new attention to IP protection in Mexico. With the upcoming review of the U.S.-Mexico-Canada Agreement (USMCA) next year, there is also a key opportunity for the Trump Administration to work with Mexico on updating Mexico's customs law to strengthen enforcement.

- ***Limited customs authority:*** Existing provisions in Mexico's customs law provide authorities with *ex-officio* power to initiate border measures but limit this authority to detention of suspicious products. ***The law does not effectively allow customs officials to make a determination to seize and destroy IP infringing goods.*** When goods are suspected of IPR infringement, an order must be obtained either from IMPI (administrative) or FGR (criminal) – after a lengthy process – to allow for inspection and detainment. The administrative action is usually helpful when the infringer is a well-established business and there is a way of finding a domicile for notifications. However, the proceeding is executed as a trial, which makes the costs extremely high for rights holders. The criminal option had become the preferred go-to action for rights holders to enforce, especially through the FGR's Specialized Unit dedicated to investigating crimes against copyrights and industrial property. The work of the FGR, however, was reduced due to austerity programs in Mexico. With the growing impact of e-commerce platforms in Mexico, we strongly recommend the Mexican government advance its enforcement framework by granting Customs authority to seize and destroy

counterfeit goods independently. It should also review its current perspective on the enforcement of IP rights, especially from a criminal perspective.

- ***Some focused enforcement actions:*** Although there were no changes to the IP Special Crimes Unit from the Attorney General’s Office (FGR), the Trademark Office (IMPI) has been tasked with executing raids against smuggling and counterfeiting when it relates to products coming from China. To that extent, IMPI has been receiving full support from law enforcement agencies and local authorities. There have been three major raids executed in three different cities recently. However, generally there is still lack of systemic enforcement in Mexico as well as a lack of support from most relevant LEAs when it comes to IP protection.
- ***Some positive IP developments:*** Mexico continues to develop an environment for equal recognition of trade dress rights. This has been very effective for seizures of containers using trade dress trademarks. In addition, IMPI has been highly supportive of enforcement via oppositions and invalidations in cases of recognized well-known marks. Starting in 2025, the new government also imposed a 19 percent tax to buyers on platforms like Shein, Temu, and AliExpress to products that are above a \$1 cost. While this measure was imposed to tackle the inflow of Chinese products into Mexico, it has had the effect of combating the selling of illegal products.

Vietnam

Vietnam’s IP legal system and enforcement practices have continued to improve over the past few years. Authorities in Vietnam remain open and willing to make changes to harmonize IP laws with international standards.

- ***Concerns about new enforcement structure:*** In December 2024, Vietnam announced changes to the government enforcement structure in the country. Effective March 01, 2025, two key centralized law enforcement agencies, General Customs and General Directorate of Market Surveillance Agency (DMS), will be discontinued. This change will represent a big challenge in Vietnam for IP enforcement, and most enforcement work has already been put on hold. We have concerns that enforcement could become decentralized, the workforce related to IP protection could see significant reductions, and the IP infringement process could become more complex. The reorganization in government structure will represent a big challenge for conducting raids especially against counterfeit manufacturing facilities and IP enforcement in general.
- ***Rise in counterfeiting:*** As more and more brands have shifted production from China to Vietnam, counterfeiters have moved manufacturing to the country as well, where they manufacture not only pure counterfeits but also look-alike knockoffs. Since Vietnam is the second largest sourcing country of footwear for the U.S. market, the market is ripe for counterfeiters to exploit. It is critical that the

Vietnamese government proactively work to fight the surge of counterfeiting.

- ***Conflicts in enforcement guidance:*** We reported last year on two enforcement challenges brought by NOIP Official Letter No. 2712/SHTT-TTKN. The requirement to prove harm for products seized in order to move forward with destruction was removed by the government on a revised Decree, a great response from the Vietnamese government to rights holders. However, there is still one remaining issue. The new guideline from NOIP conflicts with current legislation for administrative violations and is a step back on the enforcement system in Vietnam, as the Decree 126/2021/ND-CP does not require law enforcement to prove harm from counterfeits. In practice, the new rule not only adds unnecessary confusion and challenges to enforcing trademark infringements, which impacts all law enforcement agencies and brand owners; it also suggests there could be such thing as “good and bad” counterfeits, a concept that has no legal ground in the IP legislation.
- ***Need for greater clarity in nontraditional marks:*** Vietnam should focus on providing greater clarity in the current laws for the recognition of nontraditional marks or trade dress. NOIP allows rights holders to file the application of nontraditional marks. However, brands would like to have clear guidance on both the examination process and enforcement. As there is no clarity in the current law for the recognition of nontraditional marks, structural support and consistency would help applications to be effective.
- ***Online enforcement:*** O2O enforcement has significantly improved in Vietnam. Law enforcement agencies are willing to cooperate with brands and actively support further investigations, raid targets, and criminal prosecutions against online sellers who have large quantities of counterfeits seized in their connected physical warehouses. A new law on e-commerce was drafted and expected to be approved soon. Provisions include increased responsibility for platforms and intermediaries in counterfeit supply chains connected to online businesses. This is a great development for which rights holders have been advocating on the legislative front.
- ***Addressing transshipment:*** Vietnamese customs has made significant efforts to maintain the enforcement of IPR, especially by intercepting transshipments from China via Vietnam to Laos and Cambodia, which are the main routes for counterfeit goods from China to export to Southeast Asia and the Middle East. Vietnamese customs continues with its plan to proactively intercept importing goods bearing well-known trademarks without regular recorded process. The requirements for brand owners to prove the damage value caused by transshipped goods, however, is very difficult to calculate. Brands owners have additional constraints in proving the relationship of the damages value in connection with the transshipment. We suggest removing the requests to prove damage value and continue to follow Decree 126/2021/ND-CP, which is the latest regulation from the Vietnamese government that does not have this requirement.

- ***Additional enforcement issue:*** As reported last year, the Directorate of Market Surveillance Agency (DMS) has been requesting that brand owners provide immediate authentication of counterfeits during raid actions in order to issue an Administration Violations Minute with the objective of obtaining the samples for verification. This guidance for handling administrative violations not only puts strong pressure on brand owners; it is causing issues in terms of the legal validity of the evidence. During the process, infringers can change the goods for sampling at any time given the suspected trademark counterfeits remain in their possession after the raid action. This application changed a previous procedure that was effective. This issue should be addressed before the General Directorate of Market Surveillance Agency (DMS) will be dismissed on March 1, 2025.

Indonesia

Over the past few years, IP authorities in Indonesia have shown an interest in promoting change in the local IP environment. FDRA believes Indonesia should reinforce the need to maintain consistency, recognize trademark rights, and provide realistic enforcement processes and implementation.

- ***Increase in domestic counterfeiting:*** With Indonesia's increase in local production of legitimate footwear, FDRA member companies have also seen an increase in the local manufacturing of counterfeit shoes. Small and medium-sized local sellers have been observed sourcing footwear from local manufacturers, usually in bulk for low price. Though low-quality, these infringing products are attractive for local buyers because of their low prices. FDRA members have also witnessed a drastic increase in the number of counterfeit retailers in Bandung, particularly high-quality imported footwear. There is a huge demand for this type of footwear as Bandung is a city populated with university students and tourists. FDRA believes Indonesia should take proactive steps to address the counterfeiting problem. This could include training for law enforcement agents and customs officers on product inspections and more proactive measures to investigate and enforce counterfeit manufacturing, trafficking, and selling activities.
- ***Difficult trademark opposition process:*** Indonesia's trademark invalidation/opposition proceedings have made no improvement since last year. The TMO continues to have a very narrow interpretation of trademark rights in opposition procedures. In general, it only decides cases in instances where the parties' mark and goods are nearly identical. Improving these procedures is critical to prevent infringers and counterfeiters from obtaining "similar" but not quite identical trademark registrations. The TMO should also promote a thorough review of the invalidation/cancellation/opposition appeals process. Today, once a decision is made in an opposition, the only additional recourse by the brand owner is to file costly and time-consuming civil litigation.

- ***Inadequate customs system for seizures:*** No progress has been made in this area since last year’s Special 301 Review. The customs system still lacks thorough processes for detaining suspicious products and seizing counterfeits. The criteria for rights holders often prove impracticable, resulting in only a small number of cases. In the few cases where brands can stop shipments of suspicious counterfeits, there is often a lack of transparency by law enforcement and an informal system that reinforces the reluctance to enforce against the suspicious infringement.
- ***Challenges with recordation system:*** The recordation system in place – which is intended to simplify the process for enforcement – needs attention to be effective. Rights holders not only have complex procedures to register but must place high guarantees to register. Indonesian Customs also requires immediate responses (within two days) from rights holders should there be a complaint of trademark infringement. Right holders are at constant risk of being removed from the recordation system if they fail to respond to a customs notification for the third time.
- ***Online Enforcement:*** Indonesia is a market with huge potential for e-commerce. It should prioritize addressing the lack of a strong legal framework to tackle the increasing offerings of counterfeit products sold online. Indonesia still has no laws in place to protect rights owners. The Ministry of Trade issued a new regulation (No. 31 of 2023 on Provisions on Business Licensing, Advertisement, Development and Supervision of Business Actors in Electronic Systems Trading) that became effective on Sept 26, 2023. The intent of the regulation was to expand the definition of e-commerce operators to include social media platforms that promote commerce and have product offerings. It sought to tighten restrictions on foreign merchant operators. The new regulation addresses only cross border and overseas commerce activities. There is a need for broader regulation clarifying liability for the platforms operating locally in Indonesia.

India

FDRA recommends India continue its efforts to implement existing IP laws, reduce bureaucracy, and simplify processes.

- ***Long trademark backlog:*** Currently the 10-year trademark backlog at the courts and the Trademark Office prevents brands from filing utility patents and trademarks in the country. The value of having the protection in this scenario is lost to the unduly long enforcement process at both the courts and the TMO.
- ***Counterfeits hubs:*** FDRA Members have noticed an increasing number of counterfeiting distribution hubs in India. Enforcement remains very challenging for brands and local law enforcement authorities due to various social, cultural, and community aspects.

- **Online enforcement:** FDRA Members are closely monitoring the implementation of India's new e-commerce law. We expect the law to increase protections for rights holders and define the terms for platform liability in cases of IPR infringement. There is also a likely amendment to the Information Technology (IT) Rules of 2021 to regulate artificial intelligence (AI) companies and generative AI models on digital platforms. It is unknown at this time how the amendment might cover generative AI as it relates to infringing IP content. FDRA members have voiced concerns that generative AI can be used to create highly identical IP content, such as logos, in a large scale and low-cost manner. This could post a significant challenge for online enforcement and court procedures in India.
- **Procedural hurdles:** At customs, while the IPR (Imported Goods) Enforcement Rules 2007 have played a big role in curbing counterfeit goods entering India, there are several procedural issues that harm rights holders, triggered by a delay in adjudication. While the IPR Rules prescribe specific timelines, the adjudication process is very slow in practice at almost all customs ports across India with very few exceptions. The delay in adjudication creates uncertainty regarding the destruction of seized goods. At various ports, it may take over three to five years for the destruction to be completed. In addition, significant funds from rights holders are blocked in the form of bank guarantees. Even when the destruction is complete, there are several ports where the return of guarantees is bureaucratic. The delay in adjudication and low penalties do not deter counterfeiters. There are several cases of repeat offenders who have imported huge quantities of illicit goods into India.

South Korea

South Korea's intellectual property laws are comprehensive, and the authorities and processes continue to become increasingly efficient.

- **Strong deterrents:** As a great example of the strengthened IP environment, the Korean Intellectual Property Office (KIPO) has amended the Unfair Competition Prevention and Trade Secret Protection Act and the Patent Act to enhance penalties for technological infringement and introduce punitive damages. The revised laws took effect in August 2024. The amendments now allow courts to impose damages up to *five times* the actual loss for intentional violations, such as trade secret misappropriation and patent infringement. Additionally, provisions for the forfeiture of infringing goods and manufacturing equipment have been introduced, enabling swift confiscation through criminal procedures without the need for separate civil litigation. Furthermore, unauthorized destruction, loss, or alteration of trade secrets is now punishable by up to 10 years of imprisonment or fines of up to 500 million won (\$343K). These provisions also address previously unpunishable acts, such as hacking. The amendments are expected to significantly enhance intellectual property protection and serve as a strong deterrent against potential violations.

- **Effective enforcement:** Courts have a thorough process for IP protection with easy access, knowledgeable practitioners, and well-developed jurisprudence on IP issues. FDRA members also recognize the effectiveness of customs processes in Korea. The coordination with rights holders to tackle IP infringing issues, and the partnership with brands, has resulted in effective management of issues related to small parcels at the border. Korea's customs officials provide the best practices when it comes to the interception of small parcels. The Korean customs office also continues to be effective in detaining transshipment cases from China and seizing many counterfeit goods of various brands.
- **Trademark rights for digital goods:** While we appreciate KIPO being the first office globally to provide guidance on protection and enforcement of trademark rights in the realm of digital goods, we remain concerned by KIPO's position that digital and physical goods are unrelated for purposes of finding likelihood of confusion and trademark infringement (e.g. digital shoes are not similar to physical shoes). This position does not reflect the reality of the marketplace, how consumers use and perceive the digital products, or account for the practical state of infringements.

Additional Markets of Concerns

- **Algeria:** As reported last year, Algerian law enforcement authorities are still implementing a soft approach toward counterfeiting. Customs officials have no clear IP procedures with no centralized filing or protection system. The in-market enforcement actions are almost impossible. Authorities are clearly reluctant and prefer not to enforce against counterfeiters.
- **Egypt:** Egypt is a significant market for Chinese counterfeit goods. Even with the government taking measures to prevent the importation of substandard goods, the level of IPR protection and enforcement has not improved. IP laws need revision to align with international standards. Rights holders still do not have visibility on actions taken by law enforcement agencies, especially customs. The Commercial courts in Egypt deal with IP cases along with many others. In general, their execution might take years and be costly to rights holders.
- **France:** Rights holders' experiences this year in France have been positive, with intense and efficient interventions and raids by the authorities during and after the Olympics. Given its position in Europe and around the globe as a leader in fashion, design, and the arts, we encourage France to be more progressive in recognizing non-traditional trademark rights, particularly the ability of a product configuration to also function as an identifier of source.
- **Morocco:** The government has recently reintroduced the free trade zones to help boost the economy. As IP regulation and enforcement are non-existing in such areas, these zones have become attractive to illegitimate businesses and are increasingly seeing interest from Chinese counterfeiters. One of the most important

zones is Tanger Free Zone, which is used for exportation into Mauritania and Europe. When the cases are brought before the criminal courts, decisions take time to be rendered and fines do not usually represent effective deterrents, as the damages granted by criminal courts are low. On the other hand, when the cases are brought before the commercial courts (the specialized IP courts), cases are judged in reasonable time and damages reflect guidelines provided by the law in force. Rights holders do not have visibility on what happens to products seized. There is no formal destruction procedure. Rightsholders are notified only occasionally of seizures destructions.

- **The Philippines:** Since 2021, courts in the Philippines have required brand owners to file for a separate motion of destruction of counterfeit products to destroy the counterfeits at an assigned warehouse. This process is lengthy and costly, and it adds fees on storage and legal costs. FDRA believes the Philippines should remove this requirement and the need for a court order to destroy the counterfeits. A decision on product destruction can be made during courts procedures or parties could be allowed to reach an agreement outside of court if the case is settled.
- **Saudi Arabia:** The intellectual property authority (SAIP) has not delivered any tangible results after many years of taking over IP protection in the kingdom. Tackling counterfeits and cleaning up the marketplace are not on the SAIP priority list, which has resulted in a large spike in counterfeits offered across all local markets. Customs seizures have dramatically dropped, and rights holders do not have access to the details of counterfeit seizures. Compared to customs work, SAIP needs significant development. Overall, court processes continue to be slow, since there are no IP specialized commercial courts established.
- **Spain:** La Junquera El Perthus City, at the old border between Spain and France, continues to be a location where strong counterfeiting activity occurs. Even though law enforcement is proactive and willing to support brands, courts often acquit infringers or fail to impose sentences to deter IP infringement. A recent Supreme Court decision in 2024 sets a solid framework for IP enforcement in Spain by forcefully establishing counterfeiting as a crime and seeks to address issues stemming from claims of lack of knowledge by defendants, arguments based on the quality of the goods, etc. This should lead to more consistent court decisions and result in the courts taking IP crimes more seriously by convicting the perpetrators and imposing sentences to deter future infringement.
- **Turkey:** According to EUIPO, Turkey appears in the top three (after China and Hong Kong) as a main source of counterfeits and acts as a gateway to the EU for many other sources supplying IP infringing goods. In 2024, Turkey introduced a number of trade barriers that, as a consequence, will impact counterfeit offers in the country. This include decreasing de minimis from 150 to 30 EUR (including shipping costs), increasing duties from EU and non-EU markets – up to 60 percent and an additional 20 percent tax on luxury goods, and increasing duties for footwear. All those measures will likely lead to an increase in the domestic production of counterfeits in Turkey. We can expect also that Turkey will likely

expand domestically produced counterfeits to neighboring countries, including EU markets, Russia, Kazakhstan, Ukraine and others. In addition, there are shortfalls in the judicial system. In the current system, search and seizure warrant requests are evaluated by general criminal court judges, many of whom still lack expertise in IP matters. This results in inconsistent interpretations. Objections to such court decisions dismissing a complaint may be procedurally filed before the same first-instance criminal court, and not before a specialized criminal IP court, which lumps the possibility of a reversal in verdict. Some public prosecutor offices also still decline to request a seizure warrant from the Court for goods intercepted by the customs. However, anti-smuggling units of the police are increasing their presence in terms of search and seizure operations, which shifts the liability of obtaining a warrant to them. This development has been in favor of rights holders as criminal judges are usually reluctant to issue search and seizure warrant systematically due to their interpretation of “reasonable doubt”.

- **United Arab Emirates (UAE):** The level of IPR protection and enforcement has been stable in the UAE. Despite the efforts by the police forces, which have been a key partner to rights holders in combating counterfeits, rights holders do not have visibility on what occurs to goods seized by Dubai Economic Department and other governments in the UAE. Federal Law 37/1992, which allows the re-exportation of substandard goods, creates the possibility for seized products to be re-exported. Dubai customs has shown an increasing interest in combatting counterfeits in previous years. To be effective and tackle the large volume of counterfeits across local markets, UAE customs must increase enforcement and create a more effective strategy.

Conclusion

FDRA appreciates the opportunity to submit comments on the challenges faced by our member companies around the world in the protection of their IP rights. As leading global innovators, our members are driving advancements in product design never before seen. Our industry stands on the cusp of innovations that will alter the way global footwear manufacturers produce footwear and consumers purchase footwear. Now more than ever it is vitally important that the U.S. government work to protect these innovations, designs, brands, and images worldwide. We stand ready to work with USTR to bolster respect for, and enforcement of, IP by our trading partners. Doing so protects American jobs and benefits U.S. consumers.

Sincerely,



Matt Priest
President & CEO
Footwear Distributors and Retailers of America