



PRESERVING EVIDENCE

Adhering to proper procedures ensures that time and money are well spent on the investigation of counterfeit goods. By Kanishka Agarwala and Phillip England.

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Corporations routinely invest large sums of money on investigations of counterfeit goods in order to protect their trademarks in the marketplace. But all of these efforts and money could be wasted unless the investigators they employ acquire evidence with scrupulous adherence to ‘chain of custody’ procedures.

Chain of custody refers to the process by which a piece of evidence is linked to its origin, thereby protecting and ensuring the integrity of the evidence. Adherence to proper chain of custody procedures ensures that the evidence collected will withstand subsequent challenges to its authenticity in court. These procedures are particularly important when the evidence consists of fungible goods. The case of *Lorillard Tobacco Company v. Barah Deli and Grocery* is a case in point.

The Lorillard case

Lorillard, the manufacturer of Newport cigarettes, filed an action in the US District Court alleging that a grocery store was selling counterfeit Newport cigarettes. Lorillard, among other relief, sought both a temporary restraining order against the store and a seizure order permitting Lorillard to perform a surprise search of the store and seize any counterfeit cigarettes found.

The court initially granted the requested relief. However, no counterfeit cigarettes or evidence of counterfeiting were found.

The evidence in Lorillard’s case constituted only two alleged counterfeit packs of Newport cigarettes that a Lorillard’s sales representative purportedly obtained from the store. Its owner testified that the Lorillard sales representative removed approximately 20 Newport packs from the store’s shelves, but did not put the cigarette packs in any container. Instead, the Lorillard representative “simply carried them in his arms and, as a result, dropped several packs” on his way back to his van.

The evidence established that there also were approximately 650 loose Lorillard cigarette packs heaped in a pile on the floor of the van. The sales representative simply tossed the 20 packs taken from the store onto this pile.

The court refused to grant permanent injunctive relief to Lorillard in part because it was not clear from the record whether the two packs of allegedly counterfeit cigarettes actually came from the store. Looking at the manner in which Lorillard gathered its proffered evidence, the court determined that the sales representative “would have no way of knowing which of the

hundreds of packs on the floor of his van came from Barah Deli”.

Recommended actions

Central to the premise of chain of custody is linking each piece of evidence that is relied upon to its source. It represents a chronological tracking, through scrupulous documentation, of every step between the acquisition and final disposition of every piece of evidence collected.

Practically, since it is not possible for a field investigator to know at the time of acquisition which piece of evidence ultimately will be used in court, proper chain of custody procedures must be followed for every acquisition. Some guidelines to ensure a secure chain of custody include:

- Each company should establish and employ standardised collection forms as part of standardised procedures for collecting potentially counterfeit products. Field investigators, transportation personnel, laboratory technicians, custodians and archivists should maintain standardised documentation that would ensure that the sample: (1) has at all times been in the custody of an identifiable person; and (2) has not been contaminated or tampered with

- At all times, samples should carry identification and the data associated with those samples should accompany the chain of custody forms
- The transfer of possession of each sample should be specifically recorded
- The number of persons involved in collecting and handling samples should be kept to a minimum. A shorter chain of custody is easier to maintain and defend in court
- Samples should be stored in a secure area, with access restricted to authorised personnel
- All activities pertaining to a sample should be logged. If feasible, a computerised database of samples and the ability to track such samples should be maintained.

of custody procedures will withstand challenges in court.

Although maintaining and ensuring a secure chain of custody for potential counterfeit products adds to the cost of anti-counterfeiting measures, such investment is essential for any corporation's anti-counterfeiting investigations.



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Conclusion

Establishing a specific plan for collecting potentially counterfeit products will ensure that a secure chain of custody will be employed, thereby increasing dramatically the likelihood that important evidence of counterfeit product will be considered at trial. Counsel should be consulted to ensure that a corporation's chain

Safeguarding your brand integrity.

Anderson Kill is experienced in handling matters relating to counterfeiting, piracy and parallel imports. The practice focuses on representing clients whose products are manufactured and sold internationally as well as within the United States.

We have assisted our clients in:

- devising and implementing internal protocols and procedures
- investigating counterfeiting activity
- working with governmental agencies in protecting client interest



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