

Arent Fox “Landlord Program” Eradicates Illegal Counterfeits of Clients’ Products at “Counterfeit Triangle”



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New York City recently conducted the largest seizure of illegal counterfeit merchandise in its history, recovering \$1 million in counterfeit merchandise and closing three Canal Street buildings described by Mayor Michael Bloomberg as “one of the most notorious shopping malls.” Shari Hyman, director of the Mayor’s Office of Special Enforcement, labeled the closed buildings as “the worst of the worst in this business.”

The city’s action follows several civil actions against Canal Street landlords brought by Arent Fox on behalf of several fashion companies who faced a growing problem that had thwarted prior efforts to combat it. Seeking new strategies, these brand owners hired Arent Fox to impose liability on Canal Street landlords who knew about their tenants’ illegal activities but remained willfully blind to the problem. Arent Fox developed an innovative “landlord program” that required the landlords to take specific steps to stop counterfeiting, including hanging signs warning consumers that the tenant was not authorized to sell plaintiffs’ brands, specifically prohibiting counterfeiting in the leases, hiring a monitor to ensure tenants’ compliance, and evicting any tenant selling counterfeits.

The buildings closed by New York City officials were already subject to a consent injunction Arent Fox obtained as part of this program on behalf of Louis Vuitton, Marc Jacobs, Givenchy, Kenzo, Loewe and Burberry. The city’s seizure notably did not uncover counterfeit merchandise of any of brands represented by Arent Fox (with the exception of a few Burberry perfume bottles), although it did find a significant amount of other well-known brands not covered by the injunction. The absence of counterfeit brands covered by the injunction illustrates the effectiveness of Arent Fox’s landlord program. Arent Fox achieved similar results in Los Angeles’ Santee Alley due to a settlement between Louis Vuitton, Burberry and Christian Dior and a prominent Santee Alley Landlord.

When recently asked about Louis Vuitton’s efforts to combat counterfeiting, Daniel Lalonde, the president and CEO of Louis Vuitton North America cited Arent Fox’s successful efforts, [saying](#), “We’re trying to go even above prosecuting the people trafficking but also the owners of these spaces where these goods are sold and we’ve been very successful doing that, particularly in New York City.”

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