



Republic of the Philippines,

Seizure Identification  
No. CFZ 094-2023

-versus-

Shipment said to contain “CLOTH SCARF – MADE OF 100% COTTON FOR GIFT, CUSTOMIZED VANITY KIT ORGANIZERS – MADE OF 100% SYNTHETIC LEATHER FOR GIFT, WOMEN’S FASHION TOTE BAGS – NO BRAND – MADE OF 100% SYNTHETIC LEATHER FOR GIFT, WOMEN’S CASUAL SHOES NO BRAND – FOR GIFT, PERSONALIZED TUMBLER MADE OF 100% STAINLESS STEEL – FOR GIFT” bound to Chester, Virginia, USA which will be shipped thru Federal Express (FedEx) Clark on 05 May 2022 under House Airway Bill No. 77673863027 but found to contain **1 pc. Coach, 2 box LV Shoes, 1 pc. Gucci Bag, 1 pc. Burberry Bag, 2 pcs. Tory Burch, 1 pc. Chanel Bags, 1 pc. Versace Bag, 1 pc. MCM Bag, 3 box LV Tumbler, 1 pc. LV Bag, 2 box Gucci Shoes and 2 pcs. LV Blanket**

Exporter/Shipper:

**FRANCES LIWANAG**

Plaridel 1, Sarmiento St., Angeles 2009 PH

Claimant.

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## DECISION

This resolves the seizure and forfeiture proceedings instituted against the above-captioned shipment for violation of Sections 118 (f) and 1113 (f) and (l) (3 & 4) of Republic Act (R.A.) No. 10863 otherwise known as the Customs Modernization and Tariff Act (CMTA) in relation R.A. No. 8293 otherwise known as the Intellectual Property Code of the Philippines.

As culled from the records, the material facts of the instant case are as follows:

On 05 May 2022, a shipment bound to Chester, Virginia, USA (Consignee: Shantalnek Bell) under House Airway Bill No. 77673863027 said to contain “CLOTH SCARF – MADE OF 100% COTTON FOR GIFT, CUSTOMIZED VANITY KIT ORGANIZERS – MADE OF 100% SYNTHETIC LEATHER FOR GIFT, WOMEN’S FASHION TOTE BAGS – NO BRAND – MADE OF 100% SYNTHETIC LEATHER FOR GIFT, WOMEN’S CASUAL SHOES NO BRAND – FOR GIFT, PERSONALIZED TUMBLER MADE OF 100% STAINLESS STEEL – FOR GIFT” under the name of FRANCES LIWANAG with address at Plaridel 1, Sarmiento St., Angeles 2009 PH arrived at the Federal Express (FedEx) gateway facility and marked for verification/physical examination by the X-ray Inspector on duty.



On 13 January 2023, a Mission Order was issued directing Trade Control Examiners to conduct inventory of various shipment for export suspected to contain counterfeit products and to obtain one (1) sample from each package for Intellectual Property Rights (IPR) verification.

On 03 February 2023, the Office of the District Collector received an After-Mission Report dated 30 January 2023 stating that Trade Control Examiners conducted a three-day inventory (17, 19 and 23 January 2023) on seventy-six (76) shipments suspected to contain counterfeit products and obtained one (1) sample from each package, including the subject shipment, in the presence of representatives from Enforcement and Security Service (ESS), Customs Intelligence and Investigation Service (CIIS) and FedEx. The findings on the subject shipment were as follows:

AS DECLARED IN THE INVOICE	AS FOUND
<ul style="list-style-type: none"> <li>• 4 PCS. CLOTH SCARF – MADE OF 100% COTTON FOR GIFT</li> <li>• 4 PCS. CUSTOMIZED VANITY KIT ORGANIZERS – MADE OF 100% SYNTHETIC LEATHER FOR GIFT</li> <li>• 6 PCS. WOMEN’S FASHION TOTE BAGS – NO BRAND – MADE OF 100% SYNTHETIC LEATHER FOR GIFT</li> <li>• 4 PR. WOMEN’S CASUAL SHOES NO BRAND – FOR GIFT</li> <li>• 4 PCS. PERSONALIZED TUMBLER MADE OF 100% STAINLESS STEEL – FOR GIFT</li> </ul>	<ul style="list-style-type: none"> <li>• 1 pc. Coach</li> <li>• 2 box LV Shoes</li> <li>• 1 pc. Gucci Bag</li> <li>• 1 pc. Burberry Bag</li> <li>• 2 pcs. Tory Burch</li> <li>• 1 pc. Chanel Bags</li> <li>• 1 pc. Versace Bag</li> <li>• 1 pc. MCM Bag</li> <li>• 3 box LV Tumbler</li> <li>• 1 pc. LV Bag</li> <li>• 2 box Gucci Shoes</li> <li>• 2 pcs. LV Blanket</li> </ul>
<p><b>Value: USD 720.00</b> <b>Gross Weight: 19.2 kgs.</b></p>	

In a letter dated 30 January 2023, Intelligence Officer II (IO2) Norma Del Rosario-Nucup, Field Station Chief, CIIS Port of Clark, requested Atty. Edmund Jason Baranda, authorized representative/duly authorized Attorney-in-Fact of Prada S.A., Yves Saint Laurent, Luxury Goods International (L.G.I.) S.A., Balenciaga and Guccio Gucci S.P.A. (the “Company”), to personally examine samples of various items bearing the mark Prada, Yves Saint Laurent, Bottega Veneta, Balenciaga and Gucci and a certification on their authenticity.

On 21 March 2023, the Office of the CIIS-Port of Clark received letters dated 16 and 20 March 2023 from Atty. Baranda attaching notarized Certifications confirming the examined samples to be **counterfeit** and said exporter’s name is not included as authorized channel of the Company.

On 14 April 2023, the Office of the District Collector received a Memorandum dated 13 April 2023 from IO2 Rosario-Nucup, Field Station Chief, CIIS Port of Clark, recommending the issuance of a Warrant of Seizure and Detention (WSD) against the subject shipment based on the notarized Certifications from Atty. Baranda.

Based on the discrepancy between the goods found during the physical examination and goods declared in the commercial invoice, Ms. Maricar Go, Officer-In-Charge (OIC) Export Unit, and Trade Control Examiner Maria Annalou Pojas, thru Ms. Lilibeth Mangsal, then Deputy Collector for Operations, submitted a Memorandum dated 31 March 2023 recommending the issuance of a WSD against the subject shipment for violation of Section 1113 (l) (3 & 4) of the CMTA.



On 17 April 2023, a WSD docketed as Seizure Identification (S.I.) No. CFZ 094-2023 was issued by then Officer-In-Charge of this Port, Collector John Simon, against the subject shipment.

On 05 May 2023, Atty. Rod Pino, Government Prosecutor, appeared at the designated hearing, however, no representative from claimant (exporter/shipper) appeared on the appointed date.

In a Memorandum dated 26 June 2023 from SA I Jhu-mar N. Tomotorgo, noted by SP/Capt. Arnel A. Baylosis, District Commander, this Port, it is stated that the WSD and Notice of Hearing were not served because the exporter/shipper is not a resident in the said address.

Thus, we resolve.

#### **ISSUE:**

Whether or not the subject shipment may be forfeited in favor of the government.

#### **DISCUSSION:**

In quasi-judicial proceedings, procedural rules governing service of notices/summons are not strictly construed. Substantial compliance thereof is sufficient. The constitutional requirement of due process with respect to service of summons only exacts that the service of summons be such as may reasonably be expected to give the notice desired.

In the case at hand, records show that SA I Jhu-mar N. Tomotorgo tried to locate and served the WSD and Notice of Hearing, however, the same was unsuccessful considering that the exporter/shipper is not a resident in the said address. Hence, the same were posted at the FedEx, and BOC Bulletin Board and Official Website in compliance with Sections 6.5.2 and 10.13 of Customs Administrative Order (CAO) No. 10-2020, to wit:

**6.5.2.** x x x If the owner is unknown, with insufficient address, or a foreign entity or individual, service shall be effected by posting of the WSD by the ESS in the bulletin board of the concerned collection district office, and by electronic posting through the BOC website, or printed publication, for fifteen (15) days.

**10.13.** Notice of Hearing shall be served by personal service or, if not practicable by reason of distance and lack of personnel to effect personal service, by private courier service; or posting in the bulletin board of the Law Division or equivalent office of the concerned Collection District for unknown claimants, with insufficient address or foreign claimants. x x x

Moreover, Section 1121 of the CMTA and Section 9.4 of the same CAO provides that "If, within fifteen (15) days calendar days after service of warrant and due notice, no owner or agent can be found or appears before the District Collector, the seized goods shall be forfeited *ipso facto* in favor of the government to be disposed of in accordance with the CMTA."

In this case, since no claimant appeared despite due notice and service of warrant, the seized goods should be forfeited *ipso facto* in favor of the government and disposed of in accordance with the law.

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Industrial Estate V, M.A. Roxas Highway, Clark Freeport Zone, Pampanga  
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Furthermore, the subject shipment contains infringing goods, as evidenced by the notarized Certifications issued by Atty. Baranda confirming the examined samples to be counterfeit and that the said exporter's name is not included as authorized channel of the Company. As such, the same are considered prohibited goods subject to seizure and forfeiture under Sections 118 (f) and 1113 (f) of the CMTA, to wit:

**SEC. 118. *Prohibited Importation and Exportation.*** — The importation and exportation of the following goods are prohibited:

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(f) Infringing goods as defined under the Intellectual Property Code and related laws; and

**SEC. 1113. *Property Subject to Seizure and Forfeiture.*** — Property that shall be subject to seizure and forfeiture include:

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(f) Goods, the importation or exportation of which are effected or attempted contrary to law, or any goods of prohibited importation or exportation, and all other goods which, in the opinion of the District Collector, have been used, are or were entered to be used as instruments in the importation or the exportation of the former.


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**WHEREFORE**, by virtue of the authority vested in me by law, it is hereby ordered and decreed that **shipment said to contain "BLANKETS, DRESSES, CASHMERE, TSHIRTS" bound to Watertown, New York, USA which will be shipped thru Federal Express (FedEx) Clark on 03 May 2022 under House Airway Bill No. 776749013346 but found to contain 27 pcs. LV Shirt, 6 pcs. Dior Shirt, 2 pcs. Dior Bags, 2 pcs. Gucci Bags, 1 pc. MK Bag, 5 pcs. Versace Socks, 5 pcs. Hermes Socks, 5 pcs. Burberry Socks, 2 pcs. Fendi Bags, 1 pc. LV Bag, 5 pcs. Kate Spade Shirt, 8 pcs. Chanel Shirt, 15 pcs. Lacoste Shirt, 1 pc. Pull & Bear Shirt, 3 pcs. Gucci Shirt, 3 pcs. Prada Shirt, 22 pcs. Givenchy Shirt, 2 pcs. Burberry Shirt and 2 pcs. Nike Shirt**, subject of this seizure and forfeiture proceeding, be **FORFEITED** in favor of the Government to be disposed of in the manner provided for by law.

Let copies of the Order be furnished to all parties and offices for their information.

**SO ORDERED.**

Port of Clark International Airport, Clark Freeport Zone, Pampanga,

  
ATTY. ERASTUS SANDINO B. AUSTRIA, CESO V  
District Collector, Port of Clark



**Copy furnished:**

1. Owner/Consignee/Shipper
2. Unit/Office in Custody of the Goods
3. Chief, ACDD