How Brand Protection Enforcement Recovers Revenue: Beyond Takedowns

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Most brand protection stops at takedowns. Remove the listing, close the account, move on to the next counterfeit. But here's what most brands don't realize: every time they take down a counterfeit listing, the seller keeps the profits. They open a new account, relist the same products, and the cycle repeats, with your brand losing revenue at every turn. There's a different approach – one that doesn't just remove counterfeits, but recovers the money counterfeiters have already made.

$467B

Global trade in counterfeit goods (OECD / EUIPO)**Human-Verified**

Every case reviewed by a person**Schedule A**

Hundreds of sellers pursued in one action**Performance Partnership**

Enforcement that pays for itself

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Legal enforcement through asset recovery can turn brand protection from a cost center into a revenue-generating operation. Instead of paying for enforcement out of pocket, frozen counterfeiter assets and court-ordered damages can cover those costs and return surplus funds to your brand. This guide covers how legal enforcement recovers revenue, what happens to seized counterfeits, and why the difference between takedowns and legal action matters to your bottom line.

The revenue recovery reality

The global counterfeit market is estimated at roughly $467 billion a year, about 2.3% of all global trade (OECD / EUIPO). That number is abstract. The concrete reality is simpler: counterfeiters are profitable because they keep their proceeds. A seller who moves $100,000 in counterfeit goods in a month doesn't lose money when one listing gets taken down. The other ninety-nine listings stay active, and the $100,000 they've already made stays in their bank account.

Legal enforcement changes that equation. In documented litigation, the mobile-mount brand Quad Lock pursued multiple Schedule A actions against counterfeit sellers, targeting roughly 200-300 defendants per lawsuit, and recovered more than $83 million over several years – around $350,000 per case on average. These weren't multinational operations. They were individual sellers and small rings on Amazon, eBay and other marketplaces. The money came back through court orders that froze the counterfeiters' accounts and released those funds to the brand as compensation.

That's the revenue recovery story most brands never tell, because they never pursue it. They stop at takedowns and assume that's the extent of brand protection available to them. In reality, legal enforcement against counterfeiters can be extraordinarily effective.

What happens when counterfeits are seized?

When customs authorities or law enforcement seize counterfeit goods, those items are removed from commercial circulation. Under U.S. law, imported merchandise bearing counterfeit trademarks is generally subject to seizure and forfeiture. In most cases the goods are destroyed. In limited circumstances, if the goods are not hazardous and the trademark owner gives written consent, Customs may remove or obliterate the counterfeit mark and dispose of the goods through government agencies, charities, or public auction, as permitted by law. Genuine second-hand or refurbished products are different – they may be legally resold under the first-sale doctrine, but that protection does not extend to counterfeits.

U.S. Customs and Border Protection figures show the scale. In Fiscal Year 2025, CBP seized nearly 79 million counterfeit items with a combined manufacturer's suggested retail price of more than $7.3 billion, had the goods been genuine. That figure reflects the value of authentic products, not the black-market value of the fakes.

Border enforcement vs legal enforcement:
Customs seizures remove physical goods at the border. Legal enforcement works differently – it freezes the counterfeiter's online accounts and accumulated funds, not the physical inventory. When a brand files a Schedule A lawsuit and obtains a temporary restraining order, the court lets marketplaces and payment processors freeze the sellers' accounts with immediate effect, then releases those frozen funds to the brand as part of the judgment or settlement. That is where the brand's revenue recovery happens: the counterfeit profits become brand compensation.

How much can courts actually award in damages?

Under U.S. trademark law, brand owners can sue counterfeiters and seek the infringer's profits, the damages caused by the infringement, and litigation costs. In counterfeiting cases, the brand may also elect statutory damages instead of proving actual losses. The Lanham Act lets courts award between $1,000 and $200,000 per counterfeit mark, per type of goods or services. If the court finds the use of the mark was willful, the award can rise to as much as $2 million per counterfeit mark, per type of goods.

In practice, damages add up quickly in cases involving multiple sellers, multiple marks, or repeated sales. Courts determine willfulness and the award amount on the facts of each case.

How does legal enforcement recover the money?

Effective legal enforcement against counterfeiters follows a predictable workflow: identify, document, litigate, and collect.

Identification and documentation. The process begins with locating high-value counterfeit operations, often using monitoring to detect suspicious sellers, marketplace patterns, or sudden inventory spikes. Once targets are identified, the team makes controlled test purchases and captures detailed evidence of the listings, pricing, descriptions and seller information. The goal is an evidence-ready case before a suit is filed.

Filing suit and freezing assets. The legal team then files a federal lawsuit naming multiple defendants in a single action, known as a Schedule A complaint. Rather than suing one seller at a time, a single lawsuit can aggregate dozens or even hundreds of infringing sellers – which cuts legal costs, reduces admin, and speeds up enforcement across marketplaces and jurisdictions. The team then motions for an ex parte temporary restraining order (TRO). “Ex parte” means the order is requested without the defendant present, because giving notice would let them withdraw their funds first. If the court grants the TRO (common in clear counterfeiting cases), the brand presents it to the marketplace and payment processors, who freeze the account and hold the accumulated funds, halting the seller’s ability to access money or keep selling.

Recovery via settlement or default. Most defendants then face a stark choice: settle and recover access to their accounts, or wait for default judgment and forfeit the seized funds. Most settle, negotiating a payment in exchange for release of the remaining frozen funds and the ability to keep trading. It usually makes far more financial sense to settle and get the store back than to forfeit the balance and lose the ability to sell at all. Some defendants default by not responding, in which case the court enters a default judgment awarding statutory damages, a permanent injunction, and an order to destroy remaining goods, then directs payment processors to release the frozen funds to the brand up to the judgment amount.

A worked example:
A seller builds up $500,000 in sales across several accounts over six months. A TRO freezes all their accounts. The seller defaults. The court awards $750,000 in statutory damages and orders the payment processor to release the $500,000 in frozen funds to the brand. The remaining $250,000 is usually uncollectable unless the seller’s other assets can be found. The brand recovers $500,000 in cash, the seller loses everything accessible, and the deterrent ripples through the counterfeiting network. This is exactly why most defendants settle rather than default.

The Performance Partnership model. This is where enforcement becomes self-funding. Under a Performance Partnership, the brand pays nothing upfront – the enforcement partner advances the legal costs and recovers them from the judgment or settlement. A brand pursuing a Schedule A case against 200 defendants might spend $150,000 in legal fees; if the case resolves for $800,000, the brand recovers $650,000 after costs. That’s net revenue generated from enforcement.

Takedowns vs legal enforcement: why the difference matters

A takedown is fast and cheap. You identify a counterfeit listing, submit a notice, and it’s removed within hours or days. The downside: the seller still has the money from their other listings and the same accounts on other platforms. Tomorrow they relist the same products with slightly different images, and the cycle repeats. A seller operating across dozens of marketplaces stays profitable even under aggressive takedowns – they make money faster than you remove listings, and they learn your patterns.

Legal enforcement targets the whole operation. Instead of removing individual listings, one lawsuit freezes the seller’s accounts across platforms and seizes their accumulated funds, and the judgment creates a permanent injunction. If they resume counterfeiting after losing in court, they’re in contempt. A single lawsuit can remove hundreds of listings and recover hundreds of thousands of dollars, and a seller who loses $100,000 rarely returns under the same identity. That’s true deterrence, not just friction.

Factor	Takedowns	Legal enforcement
Scope	Individual listings	Entire seller network (50-200+ defendants per case)
Speed	Fast per listing (hours to days)	Slower setup (months), removes a whole network in one action

Financial outcome	Zero recovery from the seller	Freezes accounts, seizes profits, court-ordered damages
Permanence	Temporary (seller relists)	Permanent injunction backed by court authority
Cost structure	Repeated constantly	One-time legal investment per case
Deterrent effect	Minimal (sellers relist)	Severe (sellers lose accessible funds and face legal exposure)

Takedowns are your baseline tool. They can be deployed immediately in the territories where the trademark is registered, or under DMCA notices for copyright, and they work fast. Legal enforcement through Schedule A lawsuits is the heavy hitter, but it carries stricter conditions: it's most effective against foreign sellers operating into the U.S. market, it needs enough counterfeit volume to justify the legal investment (typically $100K+ in legal costs), and it carries more risk because you have to convince a court that an ex parte TRO is warranted. So while takedowns have their place, legal action is the most financially beneficial route for brands where litigation is accessible. For a live example of recovery in practice, see A Tour at Risk.

Key takeaways

- **Takedowns remove listings; they don't recover money** – the seller keeps their profits and relists.
- **Legal enforcement recovers the money** – a Schedule A lawsuit and TRO freeze the seller's accounts and release the funds to the brand.
- **The Lanham Act allows $1,000-$200,000 per mark**, rising to $2M per mark for willful counterfeiting.
- **One lawsuit can target hundreds of sellers**, making legal enforcement far more cost-efficient per counterfeit than perpetual takedowns.
- **Performance Partnership makes it self-funding** – the enforcement partner advances the costs and recovers them from the judgment.

Frequently asked questions

Can brand protection actually recover lost revenue?

Yes, through legal enforcement that recovers assets from counterfeiters. The recovery comes from court orders freezing counterfeit seller accounts and releasing those funds to the brand as damages and settlements. Takedowns alone do not recover money.

What happens when counterfeit products are seized?

Seized counterfeits are forfeited and destroyed under U.S. law, so the goods are permanently removed from commerce. The seizure prevents future sales but does not directly compensate the brand. Revenue recovery comes from separate legal action against the counterfeiters.

Can you sue counterfeiters for damages?

Yes. Under the Lanham Act, brands can recover the infringer's profits plus damages, or elect statutory damages of up to $200,000 per mark ($2M if willful). Courts order frozen assets released to the brand up to the judgment amount.

How does legal enforcement recover revenue?

In four steps: identify high-value counterfeiters through monitoring, document their activity through test purchases and evidence capture, file a federal Schedule A lawsuit naming multiple defendants, and request an ex parte temporary restraining order to freeze their accounts. Most defendants then settle or default, and the court releases the frozen funds to the brand.

What’s the difference between takedowns and legal enforcement?

Takedowns remove individual listings but leave the seller profitable and free to relist. Legal enforcement freezes the seller’s accounts across platforms, seizes accumulated assets, and creates a permanent injunction. A single lawsuit can target hundreds of defendants and recover substantial damages, where takedowns must be repeated constantly.

Sources

- OECD / EUIPO – Mapping Global Trade in Fakes 2025 (counterfeit trade value and share of global trade)
- U.S. Customs and Border Protection – IPR seizure statistics (FY2025)
- Lanham Act, 15 U.S.C. Sec. 1117 – remedies and statutory damages for counterfeiting

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Ready to recover the revenue counterfeiting has taken?

We identify high-value counterfeit operations, build airtight cases, and recover funds through Schedule A settlements and judgments. Under a Performance Partnership, your enforcement pays for itself.

Talk to Our Enforcement Team

About the author

Alex Zaika works on brand protection and IP enforcement at Axencis, where every case is reviewed by a person before action is taken. She writes on marketplace enforcement, counterfeit recovery, and how brands turn enforcement from a cost into a return. For questions about recovering revenue from counterfeiters, get in touch.

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