



# FAKING IT

How innocent are bargain knock-off goods? **NICOLA GILL** investigates what it really means when you buy counterfeit goods...

**K**nock-off bags, fake watches and look-alike labels tempt most of us. Whether we find them in a foreign street market or online, it's hard to resist a bargain. We might have vague worries about child labour in the Far East factories, but we don't give it too much thought before parting with our cash or card details. After all, how many of us can afford the real thing? Is it really hurting anyone if we come back from our holiday with a tan and a 'designer' bag?

Actually, it could be doing a lot more harm than you imagine

– and not just to the bottom line of the brands whose goods are being copied. The truth is, we are not only risking our health, wealth and even our lives buying fakes – but funding criminal gangs and international terrorism.

In the last decade or so, Brits have fallen in love with fake goods in droves. Once we told only our closest friends in hushed tones, "It's not real," but these days we'll cheerily admit to anyone who'll listen that it's not the real deal.

The counterfeit market is now worth at least 1 billion euros across Europe and a whopping

\$650 billion globally, and is growing by the day. So meteoric is the rise in our appetites for brand-a-likes that Business Secretary Vince Cable, speaking at the first International Intellectual Property Summit in London last June, called for a co-ordinated worldwide effort to stamp it out.

A 2013 report (the most recent available) on counterfeiting, from leading accountants PwC, found that about a fifth of us had willingly bought counterfeit alcohol and/or medicines – the former likely to contain nail polish remover, antifreeze or car windscreen

wash, which can lead to blindness, brain damage and even death. Two fifths of us had bought fake films, music or clothing and accessories. The under 35s were the most likely to buy counterfeits, with Londoners especially happy to do so, and Scots the least likely. Unsurprisingly, the main reasons given for consciously choosing a fake over the real thing were cost-driven.

Those surveyed said they either couldn't afford the genuine item or felt it was overpriced and weren't willing to pay so much. Ironically, 90 per cent of respondents also felt counterfeiting was wrong. Since

that report, the rising tide of fakes in the UK has become a flood. DCI Andy Fyfe, of the Police Intellectual Property Crime Unit (PIPCU), says they have suspended well over 2,000 websites selling phoney luxury

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goods since the start of 2015 alone, including fashion brands Gucci, Prada, Burberry and Oakley plus jewellery designers Tiffany & Co.

It's not just the big luxury brands being faked these days though. Oliver Guimaras, of

brand protection company Globaleyez, works as a private investigator for high-profile brand customers. His company tracks the sale of counterfeit goods on social media, unlicensed websites and eBay.

“I work for ten major household brands, although for commercial reasons I can't name them,” he says. “The big brands have invested a lot to protect themselves – and consumers – in the last two years, including working with companies like mine. But that means counterfeiters are increasingly diversifying into smaller brands – and these often don't have the resources to fight back. Consumer ➤

## HOW TO SPOT A FAKE

### SIX DEAD GIVEAWAYS THAT A PRODUCT ISN'T REALLY THE GENUINE ITEM:

- ❑ Does the price of the item appear too good to be true?
- ❑ Does the packaging reflect a luxury brand? Is it high quality?
- ❑ Are the logos, tags and any holographics where they should be – both on the packaging and the item? eBay offers useful guides to spotting fakes.
- ❑ High-end brands don't authorise market stalls, car-boot

sellers or mass-market websites to sell their goods.

- ❑ Ask the trader if they offer an after-sales service or guarantee. An authorised seller will. Check the background of the trader online and read reviews from previous customers.
- ❑ Check brand-i.org, a website partnered with Trading Standards listing web stores selling genuine products. *(Information provided by Which)*



education is the answer, as at the moment people feel counterfeiting is a victimless crime. It's true it might be hard to argue on safety grounds against buying a set of fake car mats – which are terrible quality but won't cause an accident – but when it's a fake radiator grill with no safety checks that shatters on impact and leads to deaths, it's easier to see why counterfeiting is not victimless.”

Fake cosmetics are a case in point. Recent figures from the UK Border Force revealed that more than £1.9m worth of fake beauty products landed at Felixstowe alone in the second half of 2014. Many of these products are filled with cheap, innocuous ingredients. One recent swoop on a cosmetics shop in Nuneaton revealed the shocking truth. Trading standards

officers found that Mac, Benefit and Urban Decay beauty products contained metals such as arsenic, mercury, copper, cadmium and lead – in quantities more than 19 times the permitted limit.

Far worse, two years ago a fake iPhone charger caused the death by electrocution of a young woman in China, who

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answered her phone while it was charging. Apple was so concerned about the safety implications of cheap fakes flooding the market it offered to swap any fake chargers sent in for half-price real ones. Yet still we buy them.

Criminal gangs often focus on items that are easy and cheap to fake – like vodka. In

December 2014, police warned that many corner shops were being flooded with bottles of fake, branded vodka – the labels read ‘Smirnoff’ but the small print was riddled with spelling mistakes. And the contents were potentially lethal.

“Commonly used substitutes for ethanol include chemicals used in cleaning fluids, nail polish remover and screen wash, as well as methanol and isopropanol, which are used in antifreeze and some fuels,” said

Drinkaware's Chief Medical Advisor Professor Paul Wallace. “These other types of alcohol can produce similar effects to ethanol in terms of making you feel tipsy. But they are also very dangerous.”

The story of the modern-day manufacturers and suppliers behind these fake goods is a fascinating, if dark, one, and

## WHAT ARE MY RIGHTS?

**IF YOU'VE KNOWINGLY BOUGHT A FAKE THE LAW IS NOT ON YOUR SIDE. IF, HOWEVER, IT WAS BOUGHT IN GOOD FAITH WHICH?, THE CONSUMER RIGHTS ORGANISATION, ADVISES THE FOLLOWING FOR UK-BOUGHT GOODS:**

Under the Sale of Goods Act a trader may have committed a criminal offence if he sells you fake goods (as he has effectively given you a false description of them) and you may be entitled to a refund.

Try your local Trading Standards Department – they might be able to take action against the seller. Call 08454 040506 to report a fake product.

If you've bought a fake on eBay, report it to the seller first – they may genuinely not know it's a fake if they are a private seller re-selling their own belongings. If you can't resolve it with them, use the usual eBay dispute resolution channel.

Report it to Action Fraud, who pass on all fraud cases to the National Fraud Intelligence Bureau (NFIB), which is overseen by the City of London



### CAN YOU SPOT WHICH BAG IS FAKE?\*

likely to make even the biggest bargain hunter pause for thought. Tim Mascall, of Cheshire-based private brand protection agency IPCU (International Property Crime Unit), explains. “Back in the 80s there was a small scale Robin Hood sort of supplier behind most fakes,” he says, “an *Only Fools and Horses* sort of set-up.

“These days, however, all that has changed. Criminals have always needed to launder cash – drug dealers and armed robbers in particular. The general rule of

thumb in money laundering is you lose 50 per cent of it in costs and fees. At some point, however, criminals realised that by investing in counterfeiting operations they could not only launder their money safely, they could also add another 50 per cent in profit.”

The biggest attraction of all was that the penalties for counterfeiting were relatively minor until recently. “Almost every time you buy a fake you are directly lining a hardened criminal’s or terrorist’s pocket,”

says Mascall. “There are links between Hezbollah and funds raised from counterfeiting – the World Trade Centre bombers were also likely to be funded this way,” he adds.

As for the (usually Far Eastern or Indian) workers making them, their factory conditions are generally not the kind we’d tolerate in the UK. “Factories in developing countries often stray from the straight and narrow, as they have invested heavily in infrastructure, and are keen ➤

Police who lead all fraud UK investigation. Making a crime report to Action Fraud also means that you will receive a police crime reference number.

☑ You can also report a website to Brand-i if you believe it is selling counterfeits. This is a directory website in partnership with the Trading Standards Institute, which holds lists of all the online shops selling genuine branded goods.

☑ Getting a refund is a possibility if you paid by credit card. You can make a claim against your card provider under section 75 of the Consumer Credit

Act if the item cost more than £100 and less than £30,000. If you bought something that costs less than £100 or used your debit card you can ask your card provider to reverse your transaction.

☑ If you bought your goods from a non-UK website or abroad, it will be difficult to get any refund – laws in other countries are different. Don’t assume either that a web address ending in .uk, a listed UK phone number or prices in sterling mean a seller is UK-based. If you’re suspicious, you can check who owns a domain at who.is.

to work round the clock making as many products as they can to recoup their investment,” explains Tim Mascall. “However, there are also smaller ‘local’ productions for clothing, DVDs and fragrance and these are usually the fakes you find in holiday markets.”

Not all fakes are deliberate purchases. Some copies – and their sellers – are so good that even the savviest of us can be duped into thinking we’re buying the real thing. When solicitor Elaine Coops liked the look of a colleague’s new black Michael Kors handbag and thought it would be smart for court work, she was delighted to hear it had been bought online at a very good price. Naturally cautious, she checked out the website thoroughly and was satisfied to see it had a UK-based domain name and customer services landline and professionally taken photos, showing authentic-looking packaging. “I bought three in different colours at about 60 per cent of the full retail price, so a fair amount of money,” she

says. “When the bags arrived, they were in a battered cardboard box with Chinese stamps, there was no dust bag and while the handbags themselves did look good quality at first, they’ve all fallen apart and are now unusable.”

IPCU’s Tim Mascall says sophisticated UK-fronted websites backed up with clever shipping methods to avoid large-scale deliveries being confiscated are the new norm.

Another brand protection investigator, who prefers to remain nameless, recalls that some big brands didn’t see the damage counterfeiters could do to their kudos at first, until copying raged out of control. “Rolex, for example, thought it didn’t matter if there were cheap copies about for a long time, as they figured at an average £7k a watch, no one buying a fake was ever going to be one of their customers anyway. But eventually it got to the stage where people assumed every Rolex was a fake – the brand had become totally degraded. Burberry and Louis Vuitton

suffered the same fate until they woke up too.” Now every brand that can afford it uses surveillance companies to clamp down on counterfeiting.

Then there’s the urban legend of the genuine factory ‘back door’ item sold at a fraction of its real value. Brands won’t talk on the record about these items but one marketing source at a top international brand told Candis, “These ‘back door’ goods are real. They happen when we licence a factory to produce a run of a particular item – say 10,000 skirts. The factory then makes over and above the contracted quantity or continues to produce the item after the licence has expired. It’s not common, but it goes on. We always try and use trustworthy factories, only supply the exact number of unique brand marks and hold inspections – but it happens.

Ultimately the decision to buy, or not to buy, a fake lies with you – the consumer. And if you do, be careful you aren’t getting a lot less quality and a lot more worry than you bargained for. \*

Pictures: Alamy  
Fake Rolex on the right, fake LV purse on right, fake Michael Kors bag is on the left.

## THE MOST FAKED BRANDS

THE WORLD CUSTOMS ORGANISATION (WCO) SECOND ILLICIT TRADE REPORT LAST YEAR REVEALED THE MOST COUNTERFEITED BRANDS AS: *Nike Apple Rolex Samsung Adidas Louis Vuitton Chanel Cialis Viagra Gucci Michael Kors OtterBox Burberry Walt Disney MAC cosmetics*

