

In order to protect their names and trademarks, companies should look outside themselves to fight the threat of counterfeiting. Gilly Wright reports

Brand together

A brand's name is its most important and valuable asset. It therefore needs to be both enhanced and protected, to ensure a good reputation is built and not damaged in any way. This can be done by way of a broad brand protection strategy that also encompasses deterrence and enforcement.

Brand protection must, therefore, encompass law, intelligence gathering, networking, manufacturing and technical expertise, as well as sales and communications.

'Anti-counterfeiting technologies by themselves can be a waste of money for a brand owner if the use of technology is not viewed as part of a comprehensive brand protection strategy.'

Figure 1

Dennis Polinski believes anti-counterfeit technologies need to be part of a comprehensive brand protection strategy
Source: Brady



says Dennis Polinski, brand protection solutions at [Brady](#).

'Although product authentication is critical to a programme's success, other areas that need to be considered include: investigation; enforcement; communication and education of the supply chain and public; legal; government affairs; and strong channel management programmes.'

Brady, a manufacturer of identification solutions, takes an active role in a number of anti-counterfeiting trade associations: the North American Security Products Organisation ([Naspo](#)), the Coalition Against Counterfeiting and Piracy ([CACP](#)), the International Anti-Counterfeiting Coalition ([IACC](#)) and [Asis](#), a professional organisation for security managers.

Trade associations

'By being members of these organisations, it provides brand owners in need of anti-counterfeiting solutions a source to find ethical suppliers and partners,' he insists.

Naspo, with which Brady is most active, writes security standards, educates, audits, and certifies security products providers and users, to reduce the risks associated with potential fraudulent activity.

'When brand owners use a Naspo-certified company for their anti-counterfeiting programmes, it provides evidence that the certified company has invested in and is

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making effective use of special security infrastructure, systems and procedures that prevent their technology from getting into the wrong hands, and losing its security value,' explains Polinski.

Trade associations also do a good job at fighting counterfeiting.

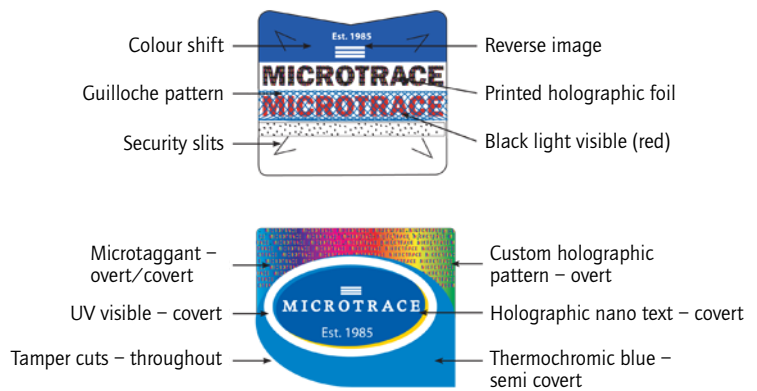
'One example is the Imaging Supplies Coalition ([ISC](#)),' suggests Polinski.

'The ISC is a non-profit trade association comprised of OEMs of consumable imaging supplies – ribbons, toner, inks, cartridges – and equipment, which have joined together to protect their customers by combating illegal activities in the imaging supplies industry. Brady is not a member of the ISC, but typically helps sponsor the association's events. Although the ISC members are considered competitors to each other, they share tactics on fighting the counterfeiting problem because, in the end, they all have a common competitor – the counterfeiters.'

OpSec Security, which also belongs to a number of leading anti-counterfeiting associations, believes this is an important way to engage in anti-counterfeiting initiatives and discussions involving brand manufacturers, law enforcement, and cross-sector industry organisations.

Theresa Mock, vice president of global marketing at OpSec, recommends the best practice for an anti-counterfeiting policy is to involve all key stakeholders to limit demand and supply. She also advocates a two-prong strategy that includes education, to increase consumer awareness, and enforcement, to deter and stem the supply.

'Many brands actively support consumer awareness campaigns to educate shoppers on what to look for in counterfeits. They also point to the wider implications of counterfeiting, such as the loss of jobs, reduced tax revenues for local, state, and federal governments, and links to organised crime. They are active in working with industry associations and government agencies to get the word out to consumers,' states Mock.



CUSTOM LABEL SAMPLES

'Many brands employ enforcement strategies to proactively protect their trademarks and intellectual property against counterfeiting. They work with law enforcement – federal, state, and local – to conduct raids and seizures of counterfeit goods at customs and borders, and key vulnerable markets.

Figure 2

A two-pronged strategy should include education and enforcement

Source: OpSec Security

'They participate in industry organisations to support legislation protecting intellectual property [IP] rights. They monitor the Internet and enforce against IP infringements, and the sale of counterfeit goods on auction sites, retail websites and other Internet platforms, social media, paid searches, and domain names. They apply product security to distinguish authentic versus fake goods.

'As necessary, they also pursue legal action in the form of cease and desist letters, Digital Millennium Copyright Act notices, Uniform Domain-Name Dispute-Resolution Policy [[UDRP](#)], and litigation such as the prominent cases of [Louis Vuitton versus Akanoc](#), [Tiffany versus eBay](#) and others. All these efforts put counterfeiters on notice that a company is serious about protecting its brand.'

Cost-effective

Jeffrey Kaufman, partner at US intellectual property law firm [Oblon Spivak](#), and chair of the firm's trademark and copyright practice groups, agrees – but champions a more frugal reason for brands to join trade associations.

'The greatest advantage is that it is cost-effective to brand owners, as participation in anti-counterfeit associations means that like-minded organisations and companies can



Figure 3

Recording with customs is a cost-effective way to gain protection

Source: Oblon Spivak

present their case to customs, or take legal action in the courts in a much more effective way by combining resources. Companies commonly work together when one brand is knocked off as others usually are too, and they can share investigators and legal costs.'

As an example he cites pharmaceuticals and personal care firm [Johnson & Johnson](#), which worked with others to deal with counterfeits.

'The other interesting situation is the fashion industry, which is in the early stages of discussing having a fashion-specific trade group association to address counterfeiting of fashion brands,' adds Kaufman.

He says the fashion industry has been at the forefront of organising special programmes for counterfeit goods, especially when dealing with flea markets and the like.

'A very specific association to deal with this would make sense,' continues Kaufman, who also acknowledges the role trade associations have lobbying government agencies at all levels, including courts and legislators.

He is equally optimistic about the proposed Anti-Counterfeiting Trade Agreement (ACTA) and believes it will help tighten up protection for intellectual property rights, and help enforce infringements around the globe.

Navigating different IP protection around the globe can be daunting for brands. Brady's Polinski says that sharing knowledge of policies and enforcement procedures is particularly important in countries where government support for brand protection is still at an early stage.

Helping customs

There are still, unbelievably, some brands without the necessary IP protection and many fail to register products with border control.

'The first step for a brand owner is to help the US government, specifically customs and border protection, by registering trademarking copyrights and, once registered, recording them with US customs,' Kaufman notes.

'The process is relatively straightforward and not terribly expensive. By registering with customs, they have a database of information that will include authorised importers into the US, and trademark copyright gives them full details of people who they think are violating, so they are put on watch list and given even greater scrutiny. The bottom line is that the US custom office does a large share of the work of keeping counterfeit goods out of the flow of commerce.'

Whilst the lines of communication vary from port to port due to staffing issues, Kaufman insists that it is excellent in most major ports and is something that trademark owners should take advantage of.

'For some clients we go to some of the ports and provide customs agent with further information about our clients' products, and how to identify counterfeit goods. Some brands are very intricate in providing customs with detailed information; it is effective and much appreciated by customs.

'Some clients do not record with customs, and occasionally customs will track us through a trademark or copyright office record to get information. They say to us "Why is your client not recording with customs these pieces of IP rights?" – it's frustrating when a client doesn't do it, as it is such a cost-effective way to obtain protection.'

When an infringement has been detected, Kaufman says the first step is to evaluate the client's portfolio and find out what they can do to police it better – whether that is recording with customs, providing customs with more information, or looking at anti-counterfeit technologies.

Prosecuting

After taking the necessary steps to ensure maximum protection by stopping goods at borders, Kaufman says he would then contact a colleague in the problem country to begin an investigation into the source of the problem, through a raid or some other activity.

He advocates both civil and criminal action, but says clients are often hesitant to take a criminal route to stop counterfeit.

'It's a big mistake just taking a civil route. It's like putting out a forest fire: if you don't address the overall problem you run around putting out spot fires,' he laments.

A broader approach including prosecution is more effective, according to Kaufman: 'It sends out the message that this company is very aggressive and it also takes a counterfeiter out of business. We find repeated instances where the same person or persons are involved in counterfeiting multiple times.'

'Monitoring services – provided by [OpSec Security](#), among others – that keep a constant lookout for counterfeit goods and allow companies to take action are typically a good starting point.'

He believes many brands are not aware of how to stop online infringements though.

'Many companies think counterfeiting is a nasty term and even if they are aware of counterfeiting they are not actively dealing with it. The [US] Chamber of Commerce and other organisations have done a good job making members more aware of the issue, but I'm not sure it has reached the point where the majority of companies, at least in the US, are focused on it and actively addressing it.'

'I base my assumptions upon the number of customs reaccreditations, which is still

relatively low and it says to me that many companies aren't aware or just don't want to deal with counterfeiting.'

Recommendations

For more proactive brands, Brady's Polinski has some wise words for those seeking to eradicate counterfeiting.

'I would recommend that brand owners not expect the problem to ever completely go away. It needs to be viewed as a long-term disease that doesn't have a cure. The goal is to treat the disease to an acceptable and manageable level.'

'My second recommendation is to get to the point where you're not always reactive to the problem. Make your anti-counterfeiting strategy part of your company's new product development process. Have plans in place to protect your brands before it gets in the market and under attack.'

'As brand owners are learning more, it's becoming obvious to them what products are the prime targets for counterfeiters. Appropriate protection should be considered, depending on each product line.' ■

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