



TRAINING FOR DETECTING COUNTERFEIT PRODUCTS

August 2012

"It is not longer just small manufacturers responsible, but complex networks of criminals who know the regulations and how to avoid them"

Two years ago, Estudio Delion had a meeting in the US with the lawyer for one of the world's leading bearings manufacturers. With substantial experience of cases in the American market, he was keen to send people from the company to teach Peruvian customs employees the difference between an original product and a counterfeit by looking at codes, packing and other technical specifications.



**Author Lilie Delion -
Senior Manager at
Estudio Delion**

On June 12, 2012, the company carried out this training in collaboration with Estudio Delion.

By way of legal background, the Free Trade Agreement signed with the US and the creation for its implementation of Legislative Decree No. 1075, brought several innovations to the field of IP. It prescribed that all infringement actions concerning trademark rights must be resolved in a maximum of 180 working days, and more severe potential penalties for infringement were imposed, of up to \$200,000.

On February 4, 2009, Legislative Decree 1092 and the Resolution of the Peruvian Customs No. 043-2009/SUNAT/A were approved, to the effect that marks registered before the Peruvian Patents and Trademark Office (INDECOPI) can be recorded at the customs administration, which will monitor imports and exports, and send alerts to the original owners or their brand representatives if they suspect counterfeiting.

The global rolling bearings industry is worth an estimated \$50 billion per year, employing about 150,000 people.

Counterfeits are found in the field of high and complex technology products, and used goods are sometimes adapted, put in falsified packages and sold as new. When there are quality problems, such as accidents, these can result in high liability claims. Likewise, the 'grey' market is a growing problem, especially when counterfeit and original products are mixed. The average value of fake products is between \$200 billion and \$600 billion per year.

The counterfeiting of rolling bearings has a big impact on the global economy. In the last 10 years, counterfeiters and seizures have grown enormously; it is no longer just small manufacturers responsible, but complex networks of criminals, who know the regulations and how to avoid them.

The *World Bearing Association* seized one million counterfeit products in China in 2010. In the US, Long Beach customs also have recorded big seizures-more than 6,000 rolling bearing products were confiscated, while New York customs detected and confiscated five pallets at JFK airport, which came from China.

A way to identify a counterfeit rolling bearing is an unusual package or a lack of company identification, or when the sending information does not match different types of products in one shipping, pallet configuration or of the container load.

Finally, underlining the importance of IP enforcement is key. In a good system trademark rights are respected and transgressors are punished with a substantial fine. The market benefits because infringers don't sell falsified products, and therefore consumers and trademark owners are protected.

Traders are discouraged from sending counterfeits when there is strong IP enforcement. Business owners must realise the importance of registering their trademarks and the value of infringement actions. Moreover, transgressors have to pay all the costs of an infringement action; the counterfeits are confiscated and destroyed, and the infringer's name is recorded in the national registry of infringers.

[...More newsletters](#)



P.O. Box 27-0044 Lima 27 - PERU | E-mail: wp@estudiodelion.com.pe / vcd@estudiodelion.com.pe
Phone: 0051-1 264-8111
Jr. Grau 345, Dpto. 406, Magdalena del Mar, Lima 17 - PERU