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Getting real on the counterfeit goods front

Counterfeit sales make up as much as 7 percent of worldwide trade. All told, counterfeiting is a \$650 billion industry.

An estimated 750,000 U.S. jobs are lost every year as a direct result of counterfeit goods. The lost jobs aren't limited to the brand holders whose products are being knocked-off. Counterfeiting also results in job losses in enterprises providing manufacturing, supply chain, advertising, media and retail services to the brand holders.

As the manufacturing capacity of developing countries continues to grow, so does the volume of fake goods being produced. The growth in that supply in turn fuels the demand for counterfeit products. The Internet, with its instant global reach and anonymity, has become the counterfeiters' forum of choice for distributing their illicit wares. Tracking and shutting down counterfeiters is also more difficult.

Internet counterfeiters are extremely sophisticated in their online activities. An entire supply chain that mirrors genuine business models has been created using all available tools such as business-to-business exchanges and websites, as well as social media and auction sites.

While combating online counterfeiting is a daunting task for any company, there are some best practices to help minimize the effect on your brand. First, counterfeiting is a global problem. It's essential that you establish global awareness and visibility in your efforts.

To do this, you must know where and how your brand appears online, then continually monitor those points of promotion. Regularly review domains and websites, search engines, marketplaces, email and social media for improper use of your trademarks or unauthorized sale of your products. This will allow you to detect and follow how your brand is being abused or infringed.

When you find illicit online sales, be proactive and act swiftly. Know and use the various mechanisms for getting an infringing site taken down, follow up with cease-and-desist



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letters in appropriate cases, enlist the help of the Internet service provider or search engine, and use Uniform Domain Name Dispute Resolution Policy procedures when encountering websites that use your brand name or trademarks in their domain names.

These actions are essential. Brands that do not take these basic steps to protect themselves often get labeled as easy marks in the world of counterfeiters and consequently invite even more infringement.

Assuming you do not have unlimited resources to devote to your anti-counterfeiting campaign, you should develop a realistic "big picture" strategy. Doing so allows you to prioritize your efforts in terms of the source of the illegal goods, as well as where and how they are being sold.

Once you've prioritized your targets, you will also need to learn how to find them. For example, it is generally more effective to target large suppliers rather than retailers that, inadvertently or otherwise, sell counterfeit goods. However, it's not always apparent who the suppliers are.

Those looking to take further steps can launch careful investigations, often without having to leave the office.

For example, if you see the same name or symbol appear on multiple illicit sites, or with respect to multiple products, you just might have found the counterfeit goods' source.

You can also aggressively question an online seller that you can contact easily. These sellers are often small-time operators and will be more willing to identify their source if threatened with legal action. Follow that information up the supply chain, and you are likely to discover one of the larger suppliers.

You can also enlist your customers' help. Some brands won't publicly address the counterfeit goods issue for many legitimate reasons, but arming your customers with knowledge can go a long way to help combat the problem. Many consumers don't want cheap knock-offs. They also don't want others walking around with the fake goods diluting your brand's cachet.

Let them know that you are fighting the problem. You may want to provide a place on your website for customers to report fake goods or even establish a rewards program.

Online counterfeiting is here to stay, but that doesn't mean you have to accept it as "the price of doing business." The stakes are simply too high to ignore the problem.

You can, though, minimize the impact on your brand, your employees and your customers. Diligence is the linchpin to success in combating counterfeit goods. If done properly and consistently, your efforts will pay off in increased values, profits and long-term brand value. That would make the time, effort and resources expended worthwhile.

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