

The Evolution of Counterfeiting and Five Essential Steps for Fighting Back

Gone are the days where counterfeiters remained in dark alleyways, opening their jackets to reveal fake Rolex watches. Counterfeiters now run sophisticated enterprises around the globe through e-commerce websites such as Amazon, Alibaba, and eBay, which allow the counterfeiters to bank millions of dollars in sales of products bearing another person's trademark or trade dress. Additionally, counterfeiters manufacture and sell a wide range of products other than the traditional retail items, which include industrial parts, pharmaceuticals, and electronics. In fact, a recent [statement](#) from an International Trademark Association (INTA) official noted that counterfeiters traded \$460 billion worth of counterfeit goods in 2016 alone.

The e-commerce counterfeiting business is so lucrative, in part, for the anonymity one retains from doing business online. Counterfeiters can easily deceive consumers into thinking they are buying genuine products from an authorized dealer simply by posting a few photos of genuine products and selecting a clever name to trade under. Further, today's consumer is out to find a good bargain. Because counterfeiters are able to manufacture and sell lower priced items, consumers' eyes are drawn to these lower priced goods bearing a companies' distinctive trademark only to be disappointed when the product is poorly made and unable to serve its purpose.

While some of these e-commerce websites have established internal enforcement methods, the counterfeiting industry continues to evolve into a gray area – selling counterfeit goods on social media sites such as Facebook or Instagram. These sites aren't technically e-commerce sites, but counterfeiters often slide under the radar and use them as retail outlets by posting and completing sales for substandard goods on the social media platform.

How can companies protect their brands against the evolving counterfeiter?

1. Perform test buys. Prior to evaluating any enforcement strategy, it is vital that a company purchase the potentially counterfeit product. This way, the appropriate company employees can closely examine the product to verify whether it is truly a counterfeit, giving the company the information it needs to enforce its trademarks and/or trade dress.

2. Prioritize the infringing activities. While it is maddening that counterfeiters are getting away with selling knock-offs of a company's product, it is important to consider how much any given occurrence affects the company's business. The infringement may not be significant if counterfeiters offer products only to a small subset of the company's customers, in only one country, but it may carry more weight if counterfeiters offer the products to the entire world on Amazon.com. This consideration could impact the method of enforcement a company chooses.

3. Consider e-commerce specific methods of enforcement. Certain e-commerce websites have built enforcement methods that a company can use to remove listings for counterfeit products or products bearing a company's trademark. For instance, Alibaba has a platform whereby submitted listings are evaluated and removed if they infringe on another party's mark. Infringers may even be suspended or removed from the site for repeated infringement.

4. Consider unique methods of enforcement. Enforcement methods for this issue usually start with a cease and desist letter and sometimes end with a lawsuit. However, a company should consider other methods of enforcement as well. For instance, counterfeiters operating a domain name incorporating a company name or trademark could be subject to a UDRP Complaint, whereby the domain name would be

transferred to the company, if successful. Alternatively, some jurisdictions such as China have governmental agencies that a company can coordinate with to conduct investigations, perform raids, and seize counterfeit products.

5. Build and stick to an enforcement strategy. Enforcement strategies allow a company to identify, evaluate, and prioritize instances of infringement. Having an enforcement strategy in place helps to gauge the appropriateness of any given enforcement method, and determine if the company should engage in enforcement at all. By going through the stages of the company's strategy, you may find that the best method of proceeding is by simply monitoring a particular counterfeiter to see if it later becomes an enforcement priority.

Roetzel has experience in assisting clients in developing clear enforcement strategies, as well as carrying out various enforcement methods. Please contact one of the listed Roetzel attorneys if you have questions about trademark enforcement matters or other intellectual property needs.

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Lindsie focuses her practice on intellectual property law with an emphasis on copyrights, information and emerging technology, and trademarks. She also practices in the areas of transactional corporate law, as well as mergers and acquisitions. While attending the University of Akron School of Law, Lindsie participated in the United States Patent and Trademark Office's Law School Clinic Certification program. The program allows students enrolled in select law schools to practice Intellectual Property Law before the Patent and Trademark Office.

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