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Up On The Rooftop, Reindeer Pause, Out Jumps Good Old Counterfeit Clause.

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People obviously purchase substantial volumes of products over the holiday season. As much as this is a boon for legitimate retailers and manufacturers, it is also a boon for those unsavory Scrooges that choose to operate on the wrong side of trademark tenets. Let's call them Counterfeit Clauses.

As a New York Times article <u>recently reported</u>, counterfeit merchandise is becoming an increasingly expensive problem for companies and consumers alike. We are entering an era where Counterfeit Clause no longer simply targets luxury items and entertainment media. Instead, "We live in an age where literally everything, from medicine to air bags to circuit boards, are being counterfeited."

One website, Havocscope.com, reports that counterfeit goods represent nearly \$600 billion of sales per year. These goods include such harrowing items as medication (Oh my!) and airplane parts (Yikes!). This counterfeiting negatively impacts both consumers and companies alike. As consumers, we want to know that a trademarked product is safe and is backed by the company that we've come to know as the source of the product. As companies, maintaining the integrity of the information exchange with our customers is of paramount importance, as is avoiding the siphoning of sales. Counterfeiting hurts everyone except counterfeiters.

The sheer magnitude of the problem might make some brand owners wonder if a War On Counterfeiting is akin to the unwinnable War on Drugs. However, there are relatively inexpensive and practical steps that can help. First and foremost, "knowing is half the battle." Familiarity with and control of manufacturers, distributors, retailers, and anyone else in the supply chain is a critical first step in maintaining brand integrity. Second, depending on your product, there may be anti-counterfeiting measures that can assist in readily distinguishing between authenticate and counterfeit products. Such measures provide significant assistance in getting counterfeit products out of the market.

As with all business decisions, there is a cost benefit analysis concerning the scope of your particular problem, if any, and the cost of a solution. However, it is critical that brand owners at least consider that implications of counterfeit products in today's marketplace

