



## CALIFORNIA CRIME AND INTELLIGENCE ANALYSTS ASSOCIATION

September 23rd – 26th, 2008



# Counterfeiting in Today's Global Environment

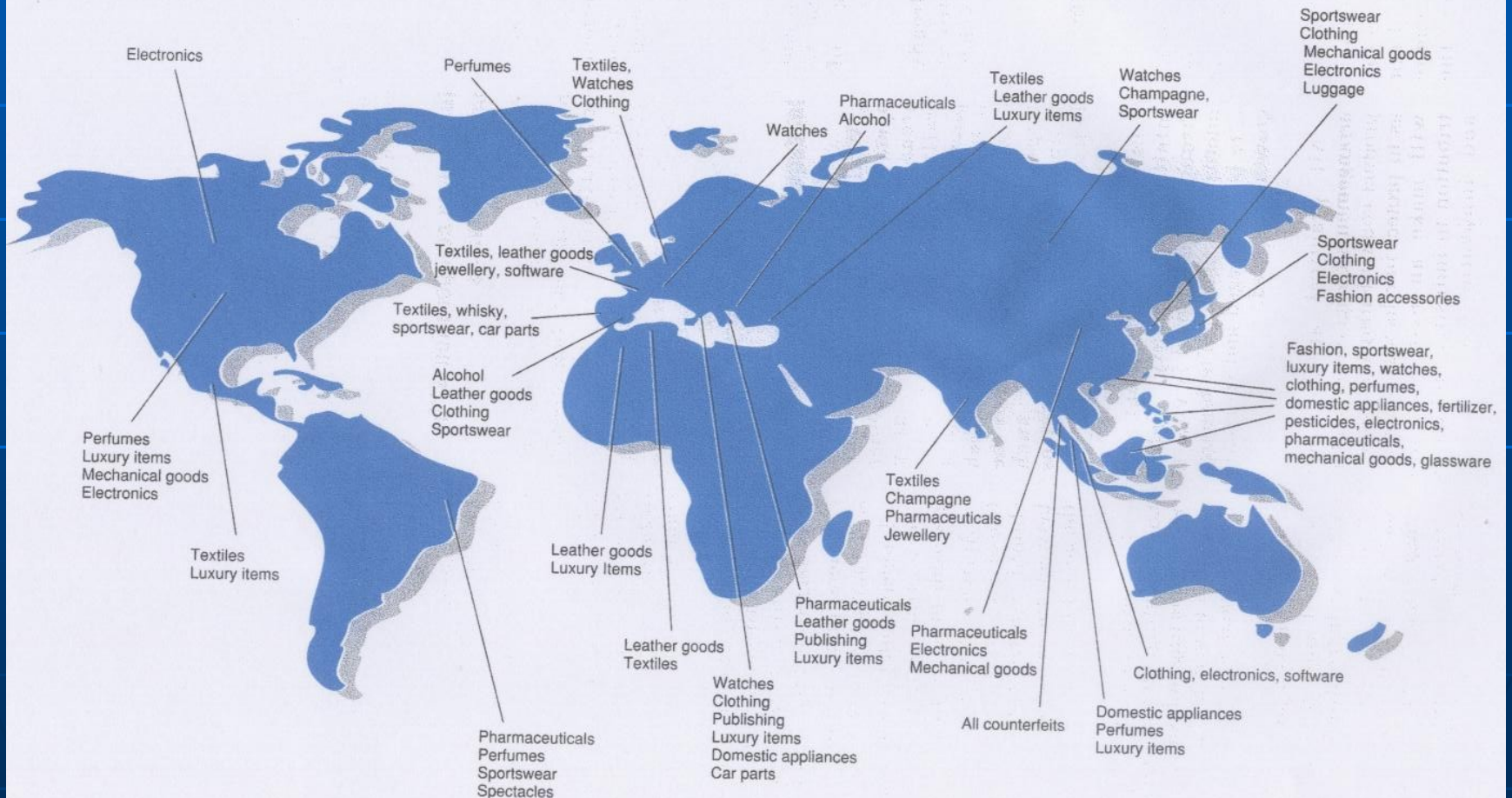
*Wallace S. Bruschweiler, Sr.*

*Data Security Holding, Inc.*

# Counterfeit Products

- **Luxury Items**
  - Leather Goods
  - Watches
  - Silk & Cashmere
- **Pharmaceuticals**
- **Automotive & Aeronautical Products**
- **Electronic Components**
- **DVDs & CDs**

# COUNTERFEITING AROUND THE WORLD

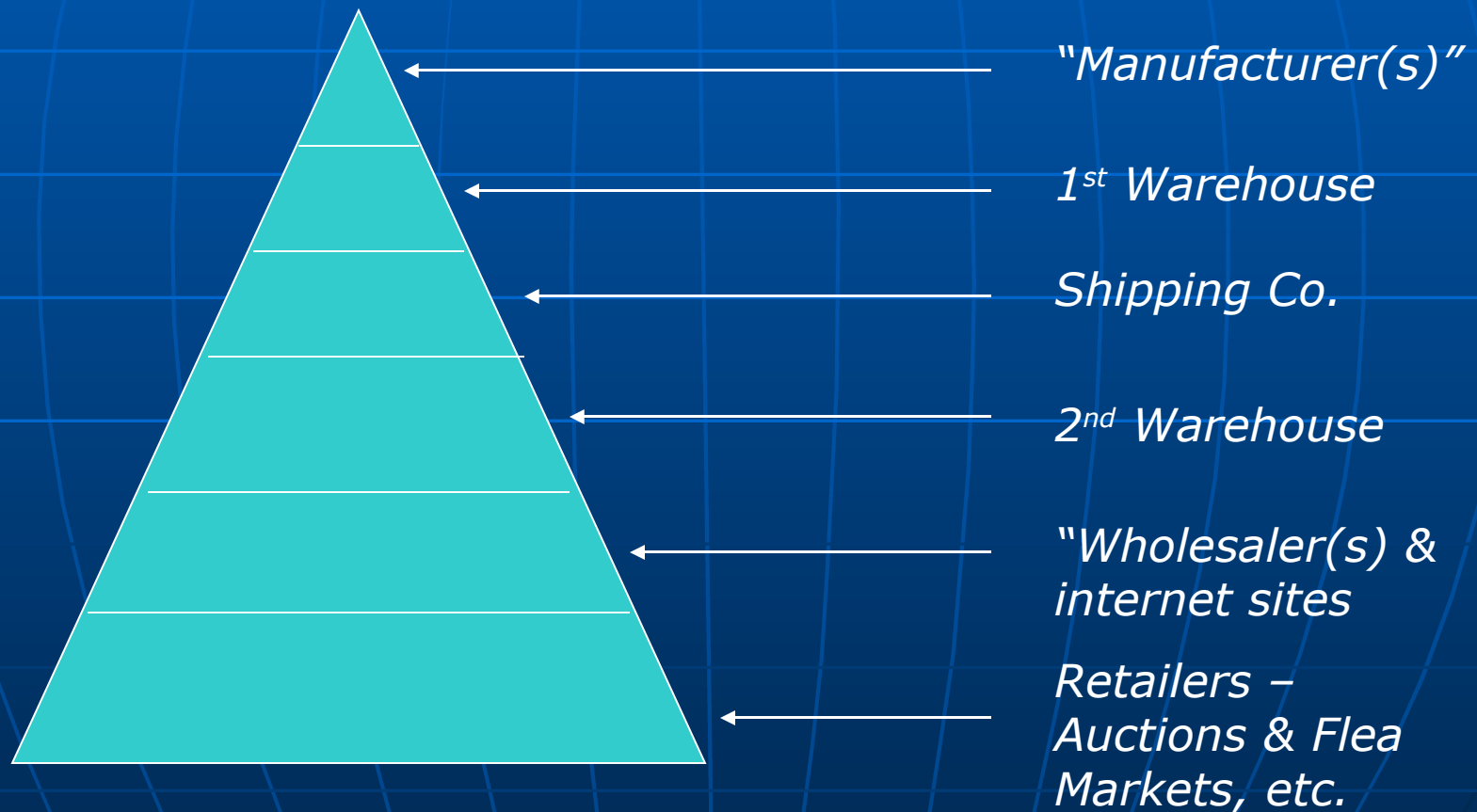


## **GOODS WHICH ARE PARTICULARLY LIKELY TO BE COUNTERFEITED**

(list drawn up by GATT)

Leather goods,  
Sports items,  
Luggage,  
Babies' bottles,  
Cigarette lighters,  
Credit cards,  
Cosmetics and toiletries,  
Detergents,  
Records,  
Tapes and films,  
Electrical equipment,  
Medical equipment and medicines,  
Water filters,  
Fungicides and insecticides,  
Wood stoves,  
Engine oil and brake fluid,  
Lighting instruments,  
Spectacles,  
Machine tools,  
Watches,  
Computers and component parts,  
Tools,  
Pasta,  
Milk products,  
Biscuits,  
Converted meat-based products and other food products,  
Car spare parts (including tyres),  
Mechanical parts in general,  
Spare parts for aircraft and helicopters,  
Porcelain and glassware,  
Magazines,  
Locks,  
Tobacco,  
Clothing,  
Textiles and shoes,  
Wine and other alcoholic beverages,  
Civil and military decorations.

# Counterfeit Structure & Distribution Channels





# Genuine and Counterfeit Brake Parts







*imitations of Cartier wristwatches (Cartier's "Genuine forgeries exhibition").*



Counterfeit  
"Haute Couture"  
clothes





Mass destruction of some  
8'000 counterfeit watches

1985

Basle, Switzerland



**PUBLICATION JUDICIAL**  
**COUNTERFEITING OF THE CHANEL COMPANY'S**

**CHANEL**

AND 

**TRADE MARKS:**  
**COUNTERFEITING OF CHANEL HANDBAG DESIGN**

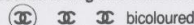
By virtue of a judgement dated 23 February 1994 the Tribunal of Grande Instance of NICE, Division 3, declares that ;

Whereas under section 716-8 of the Decree dated July 1st 1992, and in accordance with their powers, the French Customs Authorities at NICE CÔTE D'AZUR Airport seized a number of handbags and belts, as well as various other items bearing the CHANEL Company's trademarks, originating from VENTIMIGLIA in ITALIE and in the possession of Mr BRANTJES and:

Whereas a distraint for counterfeiting has been lawfully authorised by virtue of a Court Order issued on 23rd July 1993 and executed on 16th August at the premises of the Customs Department...

**ACCORDINGLY THE TRIBUNAL:**

- Declares and orders that the importation and possession by Mr Jacqueline BRANTJES of handbags, costume jewellery, and accessoires bearing a copy of the CHANEL name and back to back interlinked capital letters "C" trade marks, constitute the counterfeiting and illicit and fraudulent imitation of the CHANEL name and CC Logo trade marks



owned by CHANEL within the meaning of Section 713-2 and 3 of the Law Decree dated 1st July 1992 and of sections 422 and suite of the Criminal Code

- Declares and orders that importation and possession by Mrs Jacqueline BRANTJES of handbags similar to the CHANEL design constitute the counterfeiting of the CHANEL handbag design, owned by CHANEL within the meaning of the provisions of sections 40 of the Law Decree dated 11 March 1957 and 85 and suite of the Criminal Code;

- Prohibits Mrs BRANTJES from using CHANEL's trade marks and logos, which constitutes counterfeiting, in any capacity whatsoever and in any form whatsoever, under penalty of a fine, of 1.000 Francs per breach committed as from the date of service of the judgment hereby;

- Prohibits the defendant from manufacturing, importing, offering for sale or resale on any pretence whatsoever, any handbag bearing the above characteristics and constituting the counterfeit of a design of a CHANEL handbag, under penalty of a fine 3.000 Francs per breach committed as from the date of service of the judgement hereby;

• **Orders Mrs BRANTJES to pay to CHANEL:**

- 100.000 Francs as compensation for unauthorized use and dilution directed against the CHANEL mark,
- 100.000 Francs as compensation for unauthorized use and dilution directed against the trade mark n° 1 334 490,
- 100.000 Francs as compensation for unauthorized use and dilution directed against the trade mark n° 1 524 958,
- 100.000 Francs as compensation for unauthorized use and dilution directed against the trade mark n° 1 524 358,
- 100.000 Francs as compensation for unauthorized use and dilution directed against the trade mark n° 1 571 470,
- 150.000 Francs as compensation to CHANEL for damage resulting from the debasement of its handbag design,
- 300.000 Francs as compensation for the partial loss of market which CHANEL suffered.

• **Orders the publication of the judgement hereby in its entirety or be excerpts in five publications or journals, either French or foreign selected by CHANEL and at the expense of Mrs BRANTJES, of an amount up to 15.000 Francs per insertion;**

• **Orders Mrs BRANTJES to pay to CHANEL the sum of 15.000 Francs in accordance with section 700 of the New Civil Procedure Code...**

# Modus Operandi - Entrapment





# Entrapment “Actors”



“Good Guys”



“Bad Guys”

# Entrapment “Trophies”



# Celebration Dinner!





**Report it**

# COUNTERFEIT PRODUCTS

**Report it**

# WANTED

**Is it real or is it fake?** These days it's hard to tell because counterfeiters are becoming increasingly sophisticated and daring as they have moved their wares from the back alley stores and market places to shopping centres and city stores to prey upon the unsuspecting. If you think you got a "steal" on that GUCCI handbag or the packet of Viagra you bought was "real cheap", look again. It is you who may have been ripped off. We have numerous reports of counterfeit pharmaceuticals being manufactured in third world countries using the most primitive methods including ingredients such as rat poison and caustic soda. **Counterfeit.com.au** is asking for your *assistance* by providing information about any person or business that you suspect may be selling or distributing counterfeit products or pharmaceuticals.



[Report](#)

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# COUNTERFEIT.NET

The best shopping day does not have Y in it

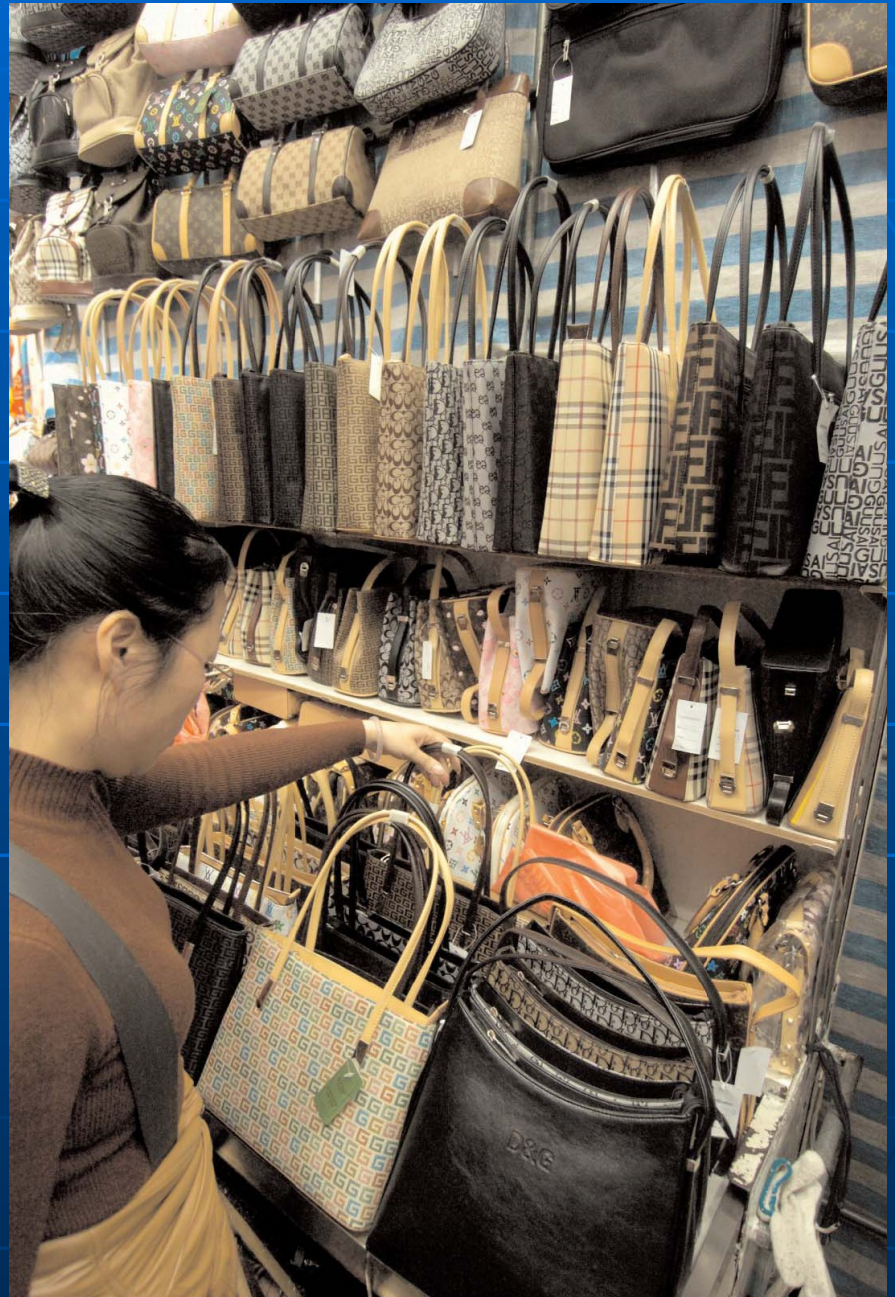
Find the best prices on the most popular products, hunt for bargains on refurbished and overstocked items. Find the best deals and shop, shop, shop!



Designer Clothes | Handbags | Discount Designer Shoes |  
Underwear | Lingerie | Discount Clothing



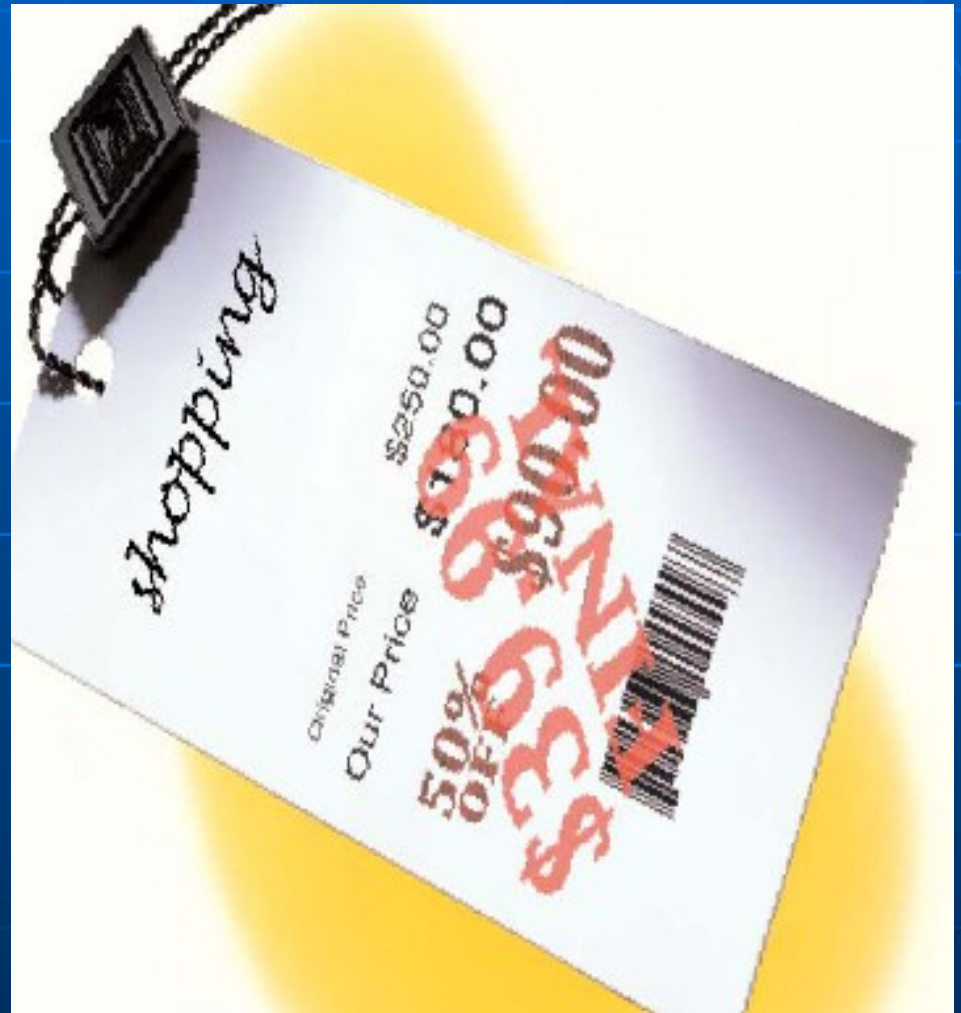
# Counterfeit “Warehouse” In Macao





# What is this?

- Gray Market
- Counterfeit
- Stolen



# Genuine or Counterfeit?

## That is the question...

- If price is lower than “official list”
  - *Parallel import*
  - *Gray market*
  - *Stolen*
- If price is abnormally low
  - *Counterfeit*
  - *Stolen*

# Methods to Combat Counterfeiting

## ■ Reactive Mode

- *Detection Techniques*

- *Microscopical Particles*
- *Hologram*
- *RFID, etc.*

## ■ Enforcement

- *Wrong Way ... (Cartier, etc.)*
- *Right Way ... ("Find the Plates")*



# Methods to Combat Counterfeiting

- Proactive Mode
  - *On – Going Monitoring*
  - *Analysis and Evaluation of Abnormal Trends*
    - *By Market(s)*
    - *By Product(s)*
  
- Immediate Action
  - *Legal and Seizure*
  - *Entrapment*
    - *Document and Money Trail*

# Counterfeiting

- In All Its Aspects – Is the Price Successful Companies Have to Pay at Certain Times and Places
- Companies' Duties and Objectives Should be to Take and Enforce Measures to Minimize It

# Onitcha, Nigeria



**Piles of seized fake drugs at a NAFDAC dump site awaiting destruction.**



# Last Useful/Personal Tips

- At earliest possible stage:
  - Obtain Top Management's unconditional cooperation
- Legal Departments – in-house as well as external:
  - Non-interference
  - But, obtain and guarantee full assistance when and where (if needed)