



Top 10 Ways to Protect Yourself From Counterfeiting and Piracy



Counterfeiting and piracy cost the U.S. economy between \$200 billion and \$250 billion per year, are responsible for the loss of 750,000 American jobs, and pose a threat to health and safety. From DVDs and CDs, shampoo, and batteries to car parts, prescription drugs and electrical equipment, every product in every industry is vulnerable.

Once viewed as “victimless crimes,” counterfeiting and piracy have mushroomed in recent years. Since the early 1990s, trade in counterfeits has grown at eight times the rate of legitimate trade. Counterfeit-related seizures by the U.S. Customs and Border Patrol rose 125 percent during the past five years and are up 80 percent from 2005 to 2006 alone. The sale of these dangerous and defective goods has far-reaching consequences for our lives and our economy.

The U.S. Department of Commerce and U.S. Chamber of Commerce recommend these 10 easy steps you can take to keep your business and home safe from fakes:

- **Scrutinize labels, packaging, and contents.** There is no foolproof way to know the difference between a bargain and a fake, but labels and packaging can be revealing indicators. Look for missing or expired “use by” dates, broken or missing safety seals, missing warranty information, or otherwise unusual packaging. For larger purchases, such as mechanical or electronic equipment, seek reputable sellers and check serial numbers with manufacturer databases. If you purchase medicine from a new vendor and it does not match the size, shape, color, taste, and side effects of your usual product, contact your pharmacist or the manufacturer to determine if it came from a legitimate source. You can also verify authenticity by comparing the manufacturer’s contact information with another product’s packaging, as addresses and phone numbers provided with counterfeit goods could be misleading.
- **Seek authorized retailers.** Companies often publish lists of authorized retailers online or in packaging materials. If you are uncertain whether a retailer acquired its products from a legitimate distributor, ask for verifiable information from the retailer about the source of the goods. Familiarize yourself with the suppliers of retail outlets and encourage your favorite stores to secure their supply chain. Trustworthy vendors work within a secure distribution network that follows steps such as those published in the U.S. Chamber’s Supply Chain Tool Kit, available at www.thetruecosts.org.
- **Watch for missing sales tax charges.** Businesses trading in counterfeit goods often do not report their sales to financial authorities—a difference you may notice in the price you ultimately pay, particularly in states that collect sales taxes. If a purchase price does not appear to reflect the required sales tax or other fees, you should inquire further about the price and the source of that company’s products before buying.
- **Insist on secure transactions.** Operations dealing in counterfeit products are likely to disregard the need to transmit and store customer data in a secure fashion. Avoid making a purchase if you are uncomfortable with the security of the transaction. When doing business online, make sure your payments are submitted via Web sites beginning with https:// (the “s” stands for secure) and look for a lock symbol at the bottom of your browser. When making transactions in person, look for assurance that your credit card information does not appear on copies that can be mishandled. To learn more about federal privacy initiatives, visit the Federal Trade Commission’s Web site at www.ftc.gov/privacy.

- **Seek quality assurance in the secondary market.** You may wish to purchase used or discounted products from a reseller. However, the differences between reasonable packaging and content irregularities and counterfeits may be too subtle to detect. Avoid counterfeits in the secondary market by asking for details about your supplier’s quality assurance processes. Reputable and reliable resellers have comprehensive inspection and authentication procedures and technicians to inspect the equipment they sell.
- **Report questionable spam and faulty products.** Consumers can play an important role in keeping the market free of fakes by acting as a source of investigatory clues for U.S. brand owners. If you receive spam that directs you to a suspicious Web site, report the information to the brand owner and to the authorities. If you suspect you’ve purchased a counterfeit or pirated product, notify the brand owner and contact the place of purchase for an exchange or reimbursement. Report unsafe products to the Consumer Product Safety Commission by calling 800-638-2772 or by visiting their Web site, www.cpsc.gov/cgibin/incident.aspx. Many counterfeit and pirated goods are the product of complex illegal manufacturing and distributing operations. If you suspect an intellectual property crime, report it to the National Intellectual Property Rights Coordination Center at www.ice.gov/pi/cornerstone/ipr or to local law enforcement.
- **Be vigilant when buying abroad.** While many international businesses offer unique products that are unavailable or hard to find at home, in certain foreign markets counterfeit and pirated products are even more prevalent than in the United States. The U.S. Department of State publishes travel advisories that may alert you of known counterfeits appearing in your destination country (<http://travel.state.gov>). Be aware that U.S. Customs officials have the authority to confiscate counterfeit products upon reentry into the United States. Also, when shopping on international Web sites, look for trusted vendors that use identifiable privacy and security safeguards and have legitimate addresses.
- **Teach your kids about counterfeits.** Educate your children about the dangers of fake products regarding their safety and the livelihood of the businesses that make the products they enjoy. Teach children to shop with legal and safe retailers both in local stores and online. Watch for Internet retailers’ compliance with the Children’s Online Privacy Protection Act (www.ftc.gov/privacy/privacyinitiatives/childrens.html), which requires that online businesses use additional safeguards to protect the personal information of people under 13. Finally, ask children to check with a parent before giving out personal or family information online. For more resources on educating children, visit www.uspto.gov/go/kids.
- **Warn friends and family of illegitimate product sources.** Word of mouth is one of the best ways to spread information about dangerous and defective products and those who sell them. By talking about this problem, you may also learn where your friends and family have found reliable, safe, affordable, and legitimate alternatives.
- **Trust your instincts.** As always, beware of a purchase that is “too good to be true.” If you are uncomfortable with the circumstances of your purchase—such as price, venue, lack of a sales receipt or warranty information, or, most importantly, a vendor’s unwillingness to answer simple questions about the source of the products for sale—use your common sense and walk away. For more information, visit www.lookstoogoodtobetrue.com.

To learn more about what government and industry are doing to fight counterfeiting and piracy, visit www.stopfakes.gov or www.thetruecosts.org.