Top Ten Ways to Protect Yourself From Counterfeiting and Piracy

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Counterfeiting and piracy cost the U.S. economy between $200 billion to $250 billion per year, a total 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.

Here are ten easy steps you can take to keep your home and business safe from fakes.

1. 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 medicine you have purchased from a new vendor 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 from another product's packaging, as addresses and phone numbers provided with counterfeit goods could be misleading.

2. Seek authorized retailers. Companies often publish lists of authorized retailers online or within 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 http://www.thetruecosts.org.

3. 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.

4. Insist on secure transactions. Businesses should take certain basic steps to protect personal and financial information. 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 in copies that can be mishandled. To learn more

about Federal privacy initiatives, visit the Federal Trade Commission's Web site at http://www.ftc.gov/privacy.

5. **Seek quality assurance in the secondary market.** You may wish to purchase used or discounted products from a reseller, in which case the differences between reasonable packaging and content irregularities and those of counterfeits may be too subtle for the average consumer 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.

6. **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 in addition to contacting the place of purchase for exchange or reimbursement. Report unsafe products to the Consumer Product Safety Commission by calling 1-800-638-2772 or by visiting their Web site, https://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 (http://www.ice.gov/pi/cornerstone/ipr/index.htm) or local law enforcement.

7. **Be vigilant when buying abroad.** While many international businesses can offer unique products that are otherwise 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 re-entry 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.

8. **Teach your kids about counterfeits.** Educate your children about the dangers of fake products to their safety and to 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 persons under 13. Finally, ask children to check with a parent before giving out personal or family information online. For more resources to educate children about counterfeiting and piracy, visit http://www.uspto.gov/go/kids/.

9. **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 might also learn where your friends and family have found reliable, safe, affordable, and legitimate alternatives.

10. **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 sales receipt or warranty information, or most importantly an unwillingness to answer simple questions about the source of the products for sale—use your common sense and walk away. For more information visit http://www.lookstoogoodtobetrue.com/.

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