

SEATTLE POST-INTELLIGENCERhttp://seattlepi.nwsourc.com/lifestyle/273613_knockoffs13.html**Spotting a knockoff handbag can be harder than you think***Tuesday, June 13, 2006***By D. PARVAZ**
P-I REPORTER

There are those who knowingly buy knockoffs, and those who are suckered by con artists.

Those who buy knockoffs on purpose make their own deals with the devil. Carrying a fake handbag supports an illegal industry that encompasses sweatshop factories and theft of intellectual property. On top of all that, it's just stone cold frontin'.

Indeed, counterfeit items often are purchased to satisfy a trend craving or to stick it to The Man, who thinks it's reasonable to charge hundreds -- or thousands -- of dollars for a bag. Shoppers may not be paying a high price for fake goods, but rest assured, someone is. The January issue of Harper's Bazaar reported on the nightmare conditions of children working in China's knockoff factories, just so Americans (currently the second-largest consumer of counterfeit goods in the world behind South Africa) can satisfy the urge to carry a status item on the cheap.

**zoom**

A fake Gucci fanny pack. Gucci would NOT use a flimsy dust cover like this. Gucci logo is also poorly printed on the dust bag.

The cost of this racket is enormous, both socially, in terms of human rights violations at sweatshops, and economically. According to U.S. Immigration and Customs Enforcement, the knockoff market costs businesses roughly \$200 billion -- the estimated revenue lost by authorized luxury dealers as well as companies representing legitimate, albeit less expensive, lines. It also cuts into legitimate jobs at factories where genuine products are made, and it deprives cities and states of untold billions in lost tax revenue, as counterfeiters seldom charge sales tax.

But if your goal is simply to score a deal on the genuine article, you should arm yourself with a little bit of information before shelling out cash for what you think is a real designer item.

To be clear, buying anything online, and especially secondhand, is risky. Consumers can't count on fashion houses to help them distinguish between real and fake merchandise. Companies contacted for this story would only issue their corporate anti-counterfeiting statements and nothing else. Their stance is that the only guarantee that you're getting the real thing is to buy it from the label's own store, Web site or authorized dealers.

Makes sense. But that's not how the market -- which is filled with counterfeit goods -- works. The desire to have luxury goods is strong (thanks to very effective marketing), regardless of the inability to afford such a lifestyle. Hence the discount shopping. Despite their unwillingness to help shoppers navigate the secondhand market, some companies work with eBay's VeRO (Verified Rights Owner) program behind the scenes, which allows companies to complain about eBay members selling counterfeit items and get them kicked off the site.

It's not a perfect program. Tiffany & Co has sued eBay over the system (the case is still pending), claiming it's ineffective. The jeweler expects eBay to police its site, while eBay contends it is a marketplace, not a retailer, and can't be expected to vouch for the authenticity of products sold on its site. According to eBay spokeswoman Catherine England, the site has about 193 million members worldwide, and there are 89 million items listed on the site at any given time, with 6 million new items listed every day.

"Counterfeit products result in a bad user experience," said England. "We take that seriously and we don't want them on our site."

While that statement can be totally genuine, many of the items sold on the site are not. Despite the 2,000 or so staffers eBay and its partner PayPal dedicate to their trust and safety team, people looking for the real thing do get burned. A quick scan of dozens of online forums shows shoppers have bought what they thought were legitimate items, only to have boutique staffers later inform them the items were fakes.



The street value of this fake Louis Vuitton Monogram Multicolore Papillon 30 bag is \$100. Alas, even as a knockoff the bag is a myth, since the company doesn't make this bag in this print.

100 percent authentic! Really!

Counterfeit handbags, for example, can vary greatly in quality, depending on where they're made -- most often in China and India -- and how they are priced. Like the genuine articles, some fake bags sell for hundreds of dollars.

"In some counterfeit goods, the quality is so good that it really takes a forensic expert to tell if it's fake or not," said Michelle Moore, a spokeswoman for the International AntiCounterfeiting Coalition. "And even though these places may look like innocent mom-and-pop shops, they're often connected to organized-crime rings."

Trying to distinguish in person between genuine and fake is tough, especially when you're in a reputable vintage or secondhand store, where items often don't have their original tags and packaging. We found several counterfeit items at such stores, and only when asked did the clerks confirm that the bags, wallets and sunglasses were fake.

When two teenage girls walked into one downtown store that sells obvious knockoffs and asked the clerk if the items were real, he shrugged, "I don't know."

"At a flea market, (or) a street vendor, the chances of getting a great deal are pretty slim," said Moore.

She added that shopping for secondhand purses online can be impossible.

"The Internet is a tricky, tricky thing. You don't touch it (the product), you don't feel it."

Rob Holmes, a Los Angeles-based private investigator who ferrets out online counterfeit retailers for fashion houses, said there are things people can do to minimize -- though not eliminate -- the risk of being ripped off, such as investigating the seller's track record through the feedback left by previous buyers.

"If someone's eBay feedback is private (or blocked), don't touch them with a 10-foot pole," Holmes said.

Then again, some feedback is clearly manufactured. One eBay seller's feedback box claimed a response that was 100 percent positive, but the text of all the feedbacks was nothing but a series of question marks. Holmes recommends Googling people's user names or store names (some active eBay sellers have stores on the site). Also, user-name histories are available on eBay, so check to see if the seller has changed his or her eBay user name often, which can be a red flag. Buyers shouldn't be afraid to ask for additional photos of an item's details. If the seller balks, move on.

Check grammar, spelling

Descriptions of the items can be quite revealing. One syntactically challenged seller on eBay described an "Authentic New %louis vuitton*" -- the typos aren't ours -- with this telltale endorsement: "You are bidding on a brand new vogue purse handbag .It is brand new ,never used .it is Elegance and Vogue ,i think them must suit you ! please don't miss them !"

Note the absence of any details about the bag itself.

As far as "authenticity" cards go, Holmes said those can be counterfeited, too. Moore agreed and used a recent bust of a counterfeit operation producing Chanel items as an example.

"The bags were made in one factory," she said, "the cards in another. ... (It is) incredibly easy to produce all these fakes overseas."

Buyers relying on receipts to prove that items are genuine -- as in, "I just bought this last week from Coach," -- are also in for a surprise.

"On ioffer.com, an online auction site, they were selling a CD-ROM of receipt templates for all the major boutiques," said Holmes. The templates allow anyone with a computer and a printer to create a bogus store receipt.

"So even if it comes with the original receipt from Barneys last week," Holmes said, "it doesn't mean anything."

He recalled encountering an online seller who would purchase real Tiffany jewelry, replace the diamonds with fakes, and resell the jewelry as real. With the clasps in place, the proper box and a receipt, buyers weren't at all suspicious.

It's also a smart idea to shop using an online payment system such as PayPal, which offers buyers a certain amount of protection from fraud.

A large number of counterfeit goods are sold in the "gray market" -- a term used to describe sales by unauthorized dealers (boutiques, secondhand stores, flea markets, eBay, etc.). While much of the time the products on the gray market are genuine, unauthorized sellers can and do from time to time -- possibly without even knowing -- toss a knockoff into the mix.

High price is no guarantee

Not all knockoffs sell for a pittance. High prices can add a sense of legitimacy. On Friday, LVMH, the company that owns Louis Vuitton, Fendi and several other brands sued Wal-Mart for selling knockoff bags and other accessories for as much as \$525 at its Sam's Club warehouse stores.

"When someone buys something that's (supposed to cost) \$1,000 for \$800, there won't be a thought in their mind about it being a counterfeit," said Holmes, adding that even reputable sellers can sell knockoffs now and again.

For those who won't go to authorized dealers to buy goods, Holmes has two words: outlet store. If there's something you love, say, at Coach, ask the store's staff when the floor plan will change, meaning when the next shipment of goods will come in. Around that time, start calling Coach outlet stores to track down the object of your desire. Likewise, designer items found at Nordstrom Rack will be the real deal.

Tim Girvin, who runs an international strategic design consultancy in Seattle specializing in brand development and management, suggests that consumers first realize that what they're buying is meant to be exceptional. High-end brands have a history, and boutique staffers are trained to explain every detail of every product. Even if you plan to look for a deal elsewhere, it's important to go to a boutique to educate yourself about the product. "You will begin to gather a sense about what to look for," Girvin said.

Real luxury goods also tend to feel substantial, he said. "That is, by virtue of their materials, the layering and build of the item, they are slightly more heavy, they have more heft."

Online, buyers can look for sites offering help with authenticating products, but beware of sites that offer to authenticate, for a fee, a bag you're thinking of buying. These sites can't guarantee anything. However, sites such as MyPoupette.com are worth a look insofar as they list eBay sellers who are known to sell fakes.

In the end, though, it's best to pass on deals that look too good to be true. After all, there's probably no such thing as a \$200, brand-new Chanel bag complete with tags.

"Everybody wants to think there's a short cut in life, like a diet pill," said Holmes. "But, honestly, if I can't tell my mother to shop somewhere, I wouldn't tell anyone else to."

CRIME & PUNISHMENT

So, how do counterfeiters get away with selling out in the open? Simply put, law enforcement agencies have bigger fish to fry.

- ✧ Enforcement of anti-counterfeit laws is the domain of the Department of Homeland Security. Given current security concerns, the work is largely left up to the private sector.
- ✧ Prison terms and fines tend to vary state to state. In Washington, counterfeiting can be a misdemeanor, a gross misdemeanor or a Class C felony, depending on the number of items involved, the offender's prior record and whether the counterfeited item could endanger consumers (e.g., counterfeit drugs, car parts, circuit breakers).
- ✧ Street vendors do get arrested and jailed, but the enforcement of anti-counterfeiting laws tends to mirror drug enforcement, in which police look for the big importers and manufacturers rather than the street seller.
- ✧ There were 142 cases in which items were seized in Seattle-area ports alone between Oct. 1, 2004, and Sept. 30, 2005. Most of these were smaller seizures, but there were several major busts, such

as a January 2005 bust of about \$8.2 million worth of faux Louis Vuitton bags.

The problem is immense, says L.A. private investigator Rob Holmes: "You shut down five people on the street, and another 10 pop up."

FAKERS IN YOUR 'HOOD

Knockoffs can be found everywhere. We've spotted them in reputable secondhand stores, flea markets and accessories stores.

- ⌘ The owner of a certain salon in Kirkland holds regular knockoff sales during off hours every few months or so.
- ⌘ One knockoff dealer in Seattle approached us with a business card and suggested throwing a "purse party" at our home. We were offered a 15 percent commission and a free bag.
- ⌘ Another dealer gave us his card, which read, "Specializing in: LV, Coach, Gucci, Fendi, Burberry, Prada, Chanel, with much more"

BIG BRANDS

Handbags aren't the only faux items on the market. Currency, software, medicines and music are among the most frequently faked products. But fashion accessories are very popular with counterfeiters.

⌘ According to Gieschen Consultancy, a Canadian firm specializing in counterfeit-intelligence analysis, in 2005 the top 10 counterfeited brands were:

1. Microsoft
2. Nike
3. Adidas
4. Burberry
5. Louis Vuitton
6. Sony
7. Lacoste
8. Reebok
9. Viagra
10. Benson & Hedges

AIN'T NOTHING LIKE THE REAL THING

If you're going to give the discount luxury market a shot, you brave soul, you, there are a few things you need to keep in mind.

First, do your research. Check out the International AntiCounterfeiting Coalition site (www.iacc.org) to learn about common counterfeit tricks. Also, take advantage of the buyer guides put on eBay. Google "eBay guide, Burberry," to find a detailed guide on the difference between knockoffs and the real thing.

We hit a couple of shops downtown and picked up five examples of knockoffs comparable to what's available in vintage stores and online. Upon close inspection, we noted flaws in each one and consulted experts on key things to look for when shopping for a discounted bag:

- ✦ **STITCHING:** Branding expert Tim Girvin says this can be "a dead giveaway." Details to look for include inconsistent stitching and sloppy construction in less visible areas, such as the underside of the bag or inside pockets. "The cost of some luxury products lies in the details of construction," he says. "They cost more because they are built more complexly. Counterfeit products oftentimes do not have the care of construction that the real item has. If the construction looks simplistic, it's likely to be a faux manufacture."



Counterfeit example: The stitching on our Chanel bag (pictured) was unraveling in places. Stitching on the Coach bag was inconsistent.

- ✦ **MATERIALS:** Private investigator Rob Holmes says that many fakes are being made in "midnight runs at sneaker factories," which means many fakes are no longer made of PVC but of reasonably good leather, even lambskin. Even so, they're seldom as good as the materials a label such as Louis Vuitton, for example, would use. Girvin says fakes tend to be stiff. International AntiCounterfeiting Coalition spokeswoman Michelle Moore notes that fake goods often have some sort of discoloration and that the leather will have an uneven look that is not consistent with wear.



Counterfeit example: Our Louis Vuitton bag (pictured) was unpleasantly stiff. The bag also was lined (real ones aren't). The Burberry wallet had the distinct crackle of stiff plastic.

- ✦ **THE LABEL:** There's an episode of "Will & Grace" in which Karen refers to the labels in her Hermes twin set as "the best part." Well, the best part isn't quite the same in a knockoff. "Look for any kind of misspelling at all on tags and labels. Look for tags in articles of clothing. ... In quality clothing, the label is stitched in, but ... in Gucci counterfeits, they sometimes just put a cheap-looking hangtag," says Moore. Girvin says it pays to study the details of the real label if you can. That way, it's easier to spot the fake labels, which generally are "cheaply made, unclear in impression, (and) the stitching attachment will be of lesser quality."



Counterfeit example: The words on the interior label in our Coach tote (pictured) ran together and were misspelled. The label said, "This is a Coach bag ... Its superiorcraftsmanship and attention to detail reflect ourcommitmen to enduring quality." The inside of the Burberry wallet was stamped "Burberrys" on the right side, rather than "Burberry -- London" in gold or silver on

the left side.

PACKAGING: Luxury retailers put a great deal of care into packaging their products. "Wrapping paper, tissues, shopping bags are always part of a real transaction given the values of the luxury-oriented presentation," says branding expert Tim Girvin. International AntiCounterfeiting Coalition spokeswoman Michelle Moore suggests that buyers look for items that have their original packaging. It's important that the box or bag the item comes in is neither too big nor too small. Makers of luxury goods seldom cram things into boxes.

Counterfeit example: The Gucci fanny pack/hip purse came with a flimsy dust bag . Most luxury dust bags are of soft, thick flannel or cotton. Smaller items, like the Burberry wallet, often will come with boxes, so beware. You need to do your research on the packaging as well.

OTHER DETAILS: Girvin stresses the importance of the layering of materials, "including the threads, leathers, fabrics, metals and stamping." Most luxury items don't just come with authenticity cards, they also come with additional descriptive materials, such as a booklet detailing the history of the company and how to care for the product.

Counterfeit example: The handles on the Chanel bag weren't of equal length and the logo looked ragged upon close inspection. The zipper on the fake Louis Vuitton bag was almost impossible to work. The snaps on the Gucci item didn't match up.

P-I reporter D. Parvaz can be reached at 206-448-8095 or dparvaz@seattlepi.com.

© 1998-2006 Seattle Post-Intelligencer