

## So, you thought it couldn't happen to you...

Imagine picking up the phone at your store to hear the General Counsel from Coach inform you that their "secret shopper" purchased two Coach bags from you which were counterfeit! You didn't know they were counterfeit. You had consigned or purchased them believing they were authentic. Fear grips you as you wait to hear what action Coach plans to take. You find out they have already filed lawsuits against three businesses in your city. Will they file a lawsuit against you? Their attorney informs you they will not file a lawsuit if you fully cooperate. They want all your records for every Coach product you have sold in recent years. They want to know the source of each item. You also have to reimburse Coach for the profits on each Coach product you sold.



No... this is not a "what-if" story! This is a true story and happened to one of our members, Betty Daniels, owner of *Designer Consignor Boutique* in Indianapolis, Indiana. Betty had a couple of handbags from consignors that Coach confirmed were counterfeit and had also purchased a shipment of bags online from someone in China who claimed they were authentic but "blemished." The shipment was mixed brands, including some Coach at prices too good to be true. As Betty now realizes... if it's too good to be true, it's FAKE! Betty has learned her lesson the hard way and will send a follow up to her story for a future issue.

In an effort to crack down on knock-offs, Coach has filed three trademark-infringement lawsuits in the U.S. District Court of Southern Indiana. According to an article in the *Indianapolis Business Journal*, the complaints in each case are similar: Coach alleges trademark and copyright infringement, counterfeiting and forgery among other counts. The company demands \$1 million per counterfeit mark per type of infringing item. As an alternative, the company demands defendants pay Coach all the profits realized from the sale of infringing or counterfeit goods, plus treble damages. The company calls its legal crackdown "Operation Turnlock," a reference to the signature turning lock on its high-end handbags. "This is Coach getting very serious about stopping counterfeiting and infringing materials out there," Coach General Counsel Nancy Axilrod said. "Our company has spent \$1 million or more to file 160 cases in the past 15 months." ***There is no question... they mean business!***

## On a more positive note...

The fight against fakes has found a voice at Michigan State University (MSU) with the launch of the Anti-Counterfeiting and Product Protection Program (A-CAPPP)—the nation's first comprehensive research & training program designed to address product counterfeiting which the FBI has called "the crime of the 21st century."

MSU is already conducting a wealth of activities that relate directly or indirectly to counterfeiting, working with such federal agencies as the Department of Homeland Security, Federal Bureau of Investigation, Department of Agriculture, Food and Drug Administration, and Customs and Border Protection.

- One of the first major projects was to create a database of product counterfeiting incidents in the United States dating back to 2000. The information could be used to help develop anti-counterfeiting strategies and train corporate and government officials to fight the crime.
- Another project includes development of a DNA marker embedded in textiles that could be used to determine the authenticity of items such as purses and clothing.
- They are doing additional research with the goal of developing methods for preventing internet-based sales of counterfeit goods.

According to the A-CAPPP Website, their major goals include increasing public awareness of the problem in terms of what it is and what its impacts are—and ultimately helping industry and government identify evidence-based strategies for prevention and response. ☸

Editor's Note: Coach is not the only company who is pro-actively fighting counterfeiting and you never know who they will choose to make an example of next! Be sure to read *The Facts on Fakes!* ([www.narts.org/fakes](http://www.narts.org/fakes)) If you have questions for Betty Daniels, you may contact her at: [designerconsigner@sbcglobal.net](mailto:designerconsigner@sbcglobal.net)