

How to spot counterfeit products

Phony goods are missing more than just a designer's cachet.

The selling of counterfeit goods on the Internet, at walk-in stores, and by sidewalk vendors and door-to-door salespeople is big business. In one recent example, federal agencies in New Jersey indicted 29 people in a scheme to import \$325 million in counterfeit products, including fake Burberry scarves; Lacoste shirts; Polo sweatshirts; Coach, Gucci, and Louis Vuitton handbags; Ugg boots; and Nike sneakers.

Many products you might buy are common targets for unauthorized duplication, including artwork, autographed items and other memorabilia, cosmetics and perfumes, computer software, designer clothing, jewelry, music, videos, and sporting goods.

If you buy something assuming it's the real McCoy and it's not, you could face several problems. Fakes might not last or perform as well as the genuine article, and they won't be covered by a manufacturer's warranty. They might not meet safety and environmental regulations, and there's a greater chance they're manufactured in unsafe and abusive conditions. And, of course, you'll probably pay way too much.

Although some sellers knowingly hawk counterfeit goods, others may be duped themselves. The auction giant eBay, for example, doesn't allow replicas, counterfeit items, or unauthorized copies to be sold on its site. But that hasn't prevented such items from showing up there.

The following tips will help ensure you won't get stuck with counterfeit goods.

► **Become a counterfeit detective.** If you're spending a lot of money and are concerned about counterfeit merchandise, do some research before buying an item so you'll know how the real thing tends to differ from a fake.

When we did a Google search for counterfeit Rolexes, for example, our results included a website (qualitytyme.net/pages/rolex_or_replica.html) that provided lots

of information and photos that show how to tell a real one from a knockoff. The site says that one of the easiest ways to identify a fake Rolex is by the caseback. Counterfeiters often use a clear display, or "skeleton" caseback, that allows you to



There's a good chance designer-label handbags and other items sold by sidewalk vendors are counterfeits.

view the inner workings of the timepiece. But the site says Rolex hasn't made such a watch since the 1930s, and they were not production models.

Your search may also reveal whether there is a counterfeiting problem with the particular brand or type of product you're considering buying.

Some manufacturers offer advice on detecting and avoiding counterfeits on their company websites, including Callaway Golf, Microsoft, and the footwear, clothing, and accessories companies Coach and Ugg.

► **Look for security features.** To help consumers spot a fake, some manufacturers add something to their products that is hard to reproduce. For example, Ugg shoeboxes and some of its products

come with reflective stickers that change from black to white as you rotate them 90 degrees. Similarly, it's a bad sign if a product is missing a certificate of authenticity or other assurance the manufacturer routinely provides. (But remember that such

documentation can be fabricated as well.) You might be able to confirm that a certificate or product is genuine by contacting the manufacturer directly.

► **Examine it in person.** Shopping online is convenient, but you can't inspect the product closely, feel it, or otherwise examine it the way you can in a store. Instead, you must rely on the seller's description and photos, which can be as bogus as the product itself.

If it's a valuable item, such as a piece of art or sought-after, autographed sports memorabilia, you should not only examine it in person but also take it to an expert before buying.

► **Check out the merchant.** You can be pretty confident that a Prada handbag sold in a Neiman Marcus store is the real thing.

But you should give greater scrutiny to products sold by less-familiar merchants, whether they operate a walk-in store or a retail website.

Don't be reassured because a retailer displays a manufacturer's logo or product images, accepts credit cards, or appears in online search results. Check the retailer's reputation by doing a Web search with the company or individual's name and words like "rip-off," "complaints," and "reviews." Also examine customer-generated seller ratings available on many retail websites, such as Amazon.com and eBay.

Finally, check whether the company has a report at the Better Business Bureau (bbb.org/us/). If there is one, don't just rely on the letter grade it has received. Also review the number and type of complaints and



Some websites offer advice that can help you spot fake versions of products.

any government actions that have been taken against the company.

► **Beware of ultra-low prices.** A company charging significantly less for an item than other retailers should raise a red flag that something's amiss.

► **Avoid risky sellers.** If you want the real thing it's not a good idea to buy from street vendors, traveling salespeople, or unknown sellers who hawk their products on auction websites. You should also be cautious about buying goods at going-out-

of-business sales. Once the seller is gone, you might be unable to get satisfaction if you later discover that the product is a cheap imitation.

► **Rely on third-party protection.** To help protect yourself from phony goods, consider using an escrow service that holds on to any payment you've made until you can inspect and accept the merchandise. At Escrow.com, the inspection period is one to 30 days, depending on the parties' agreement. If the buyer returns an item to the seller, the money is refunded minus an escrow service fee. For transactions up to \$5,000, the fee is 3.25 percent or 6.3 percent of the transaction price, depending on the level of service. But like fake products, there are also fake escrow services. Check any company with the Better Business Bureau before signing on with it.

The Buyer Protection Policy from eBay can be a safeguard if you discover that an item you buy is a fake within 45 days of payment. But there are lots of restrictions, so check the terms and conditions.

► **Use a credit card.** That can provide the best protection because you can dispute a charge if you purchase misrepresented merchandise. \$

What to do if you buy a fake

Say you spend thousands on a Rolex watch, then discover later on that it's counterfeit. Here's what you can do.

Don't resell it. Even if you disclose that it's counterfeit, you could expose yourself to criminal prosecution.

Demand satisfaction. You're legally entitled to a legitimate version or a refund. It doesn't matter what the seller's return policy is, says Dean Richard Alderman, director of the Center for Consumer Law at the University of Houston Law Center. You're also covered if you buy merchandise that the seller failed to disclose was gray market, meaning a genuine product sold through unauthorized channels.

Do a charge-back. If you used a credit card, request a charge-back from the card issuer. File it as a billing error,

not as problem with product quality, which might limit your rights. If you've used an escrow service or a buyer-protection program, be sure to notify it within the allowed time period.

Contact the authorities. File a complaint with your state consumer officials. You can find a list at usa.gov/directory/stateconsumer/index.shtml. Selling fake items might violate state statutes on unfair trade practices and federal criminal laws barring the trafficking of counterfeit products. For major fraud, contact your local law enforcement.

File a lawsuit. At a minimum, you're entitled to a full refund. If the seller engaged in fraud and you proceed under a state's unfair-trade-practice law, you might be entitled to your attorney's fees and triple damages.

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Money-saving sites and apps



Do you need to try something out or try it on before you buy? Even if you prefer to shop the traditional way, your computer

or smart phone can help you find the lowest price on your next purchase. Here are three easy ways:

► **Use bots.** If you know the model number for the gas grill, watch, or TV you want, log on to a shopping bot like BizRate, DealTime, MySimon, PriceGrabber, or Shopping.com to quickly compare prices at lots of retailers. **Warning:** Check prices with several bots, since none finds the best deal every time.

► **Scan codes.** Your smart phone can check, right in the store, if you can get a better price elsewhere. Just scan the barcode with your smart phone using a free app such as Red Laser (for iPhone or Android), and you'll get a list of prices at nearby stores. You can even set alerts to let you know when the price of an item drops. **Warning:** Make sure the item is available for in-store pick-up or factor in any shipping costs before you buy.

► **Get extras.** You can use apps like Red Laser and ScanLife (which also works with BlackBerry and Windows) to scan QR codes, those squiggly boxes now found on product packaging and displays. Stores and manufacturers use them for coupons and giveaways. **Warning:** Scammers have been known to cover legit QR codes with stickers coded to send you to malware sites, so inspect the codes carefully before you scan.

Tod Marks has covered shopping trends for CONSUMER REPORTS for more than 20 years.