

# Welcome to Response Expo 2012

Presented by







12:30-1:30 p.m.

## Counterfeits, Knockoffs and Digital Reputation Management

Featured Panelists

Jeff Campbell, SENSA

Denise Kovac, Full Service Marketing

Johann Verheem, FitnessIQ



fitnessiQ

Moderated by Linda Goldstein, Manatt Phelps & Phillips

































## The Counterfeiting Problem

- The International AntiCounterfeiting Coalition (IAC) provides the following estimates:
  - Since 1982, the global trade in illegitimate goods has increased from \$5.5 billion to approximately \$600 billion annually.
  - Approximately 5-7% of world trade is in counterfeit goods.
  - Counterfeiting costs U.S. businesses \$200 billion to \$250 billion annually and is directly responsible for the loss of more than 750,000 American jobs.



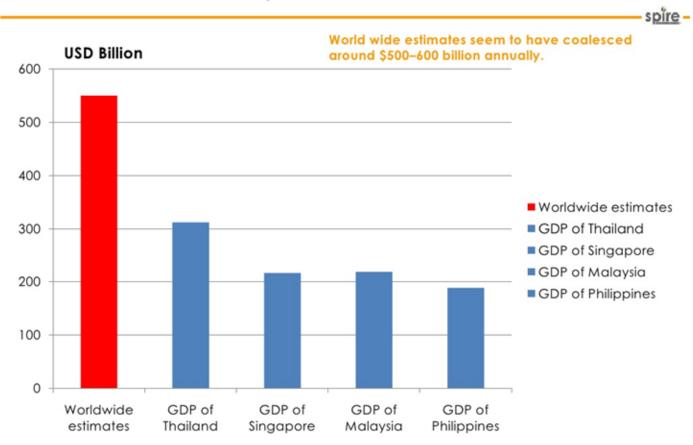
#### Impact of Counterfeits



World wide estimates seem to have coalesced around \$500-600 billion annually (International AntiCounterfeiting Coalition [IACC], 2007; Punch, 2005)



#### Impact of Counterfeits





### IP Protection

#### Global vs. Local

- Based on our product, SENSA has gone with a more local strategy to protect IP
- Utilized operational parameters to limit exposure
  - One domestic manufacturer
  - Tight distribution
- Build relationships
  - Through associations and networking
  - Knowing the landscape can keep you proactive



### IP Protection

#### **Claims Protection**

- Rely on patent status to enforce against counterfeits
- Knockoffs A bigger challenge
  - Based on our testing, only very specific claims can be made about the product
  - Utilize trade organizations to enforce claims infringement –
     i.e., NAD
- Register Top Level domains .Sensa
  - Expensive: \$150-200K
  - Why? Your brand controls online distribution and is recognized as a trusted source
    - Examples: <u>www.costco.sensa</u>; cleaning.tide; promotions.jnj



### Traditional Tactics Often Ineffective at Stopping Internet Counterfeiters

- Most Internet counterfeiters do not maintain any inventory in the U.S. to be seized.
- Goods are individually "drop shipped" to customers from the website's manufacturers and suppliers in China, using China's postal service and the U.S. postal service.
- Seizures are ineffective against Internet counterfeiters as each shipment usually only contains a few items purchased by an individual customer.
- The counterfeiters' websites either provide no contact information or false contact information.
- The counterfeiters can easily set up a new website.



## From MyPurseWorld.com to MyPurseWorld.net

#### MyPurseWorld.com - Home Page MyPurseWorld.net – Home Page more home. Minus Zonneceste gi sitte na toas i gi toat na toas i gi toat na toas i gi toat na toas i gi tene \* District - District Stone Insuce Exces Committee & sect 8 sec. 0. or Winnesses A . D & Testing has have \$100 bestern harbor harries. THE GREAT HANDBAG GWEAWAY Enterforyour chance to win a DESIGNER HANDBAG V ENTER TO WIM · Section Labor. Dobo B tubblook [1] · Publication Fire Insels CE Stoken & badeases to Services II Carlton CCD balefa fare () **TESTIMONIALS** Testimonials BALENCIAGA **FEND** Hi just wanted to let you know that Hi just wanted to let you know I received my Gucci bag today that I received my Gucci bag. today order no 43320. You have order no 43320. You have no idea no idea how delighted I am with how delighted I am with my my purchase. I am so glad I purchase. I am so glad I ordered ordered with you... with you... Nancy Mary Read More... Read More ...



## Strategies for Stopping Internet Counterfeiters

- Ex Parte Relief
  - Temporary restraining order
  - Asset freeze
  - Expedited discovery against defendant and third parties
- Actions against secondary players
  - Auction sites
  - Website hosts/ISPs
  - Credit card processors



## Reputation Management

#### Who are they? Where do they come from?

- Wide range From startup to well-established, sometimes grandfathered in
- Impossible to find Offshore, no jurisdiction
- Creative Utilize cyber squatting, negative reviews and even porn links

#### What is effective?

- Have a strategy!
- Build microsites Brand.com, BrandPR.com, BrandBiz.com
- Invest in content, build credible links and engage
- Use trustworthy third parties Facebook, Twitter, etc.
- Quality and quantity both count
- Assoc review search engine T&Cs: they can work for you
- No engine wants to return bad results