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Cheap Knockoffs and Counterfeits Can Be Hazardous to Your Health

By [LOREN BERLIN](#)Posted 11:00AM 06/17/11 | [Economy, Retail](#)[Comments](#)Text Size [A](#) [A](#) [A](#)

Talking about knockoff jackets with Kevin Spreekmeester, the global marketing vice president for outdoor clothing company [Canada Goose](#), is a bit like chatting with a detective. Soft-spoken and slight, Spreekmeester is surprisingly calm, even when discussing illegal and distressing subjects.



Dario Cantatore, Getty Images

"We know the counterfeit product is coming out of China," he says as we examine a tomato-red jacket designed to look like one of Canada Goose's own. "We know that child labor is involved. And we know that it funds organized crime."



If you're like me, you've probably always known that buying a fake Fendi is "bad" to the degree that making and selling such fraudulent products is illegal. But it turns out that knockoffs are problematic in many other ways as well, as I learned when Spreekmeester told me about the counterfeit jackets stuffed with chicken parts.

"Canada Goose tested a number of counterfeit jackets that we've bought online, and a number of them have come back with no trace of down in them at all," says Spreekmeester. His concern, though, is about more than the lack of down -- the company's signature filling, which can protect against frostbite and hypothermia in extreme climates. He's worried about the alternative fillers used instead. "What they do have in them is called 'feather mulch,' which is anything you pick up off the floor. It's feathers, it's beaks, it's feet. Covered in feces, covered in mildew, covered in bacteria."

Spreekmeester also found a counterfeit jacket whose hood was lined with fur from a German Shepard. "It's not hygienic, and it's not protecting you, and it's probably just not very humane."

No Knowing What's in That Pill

Unsanitary materials are not the only health risk associated with counterfeit products. There's also the question of functionality: Can the fake item actually do what the original can?

"Anything purported to protect the eyes has to have the right level of quality," explains Stefano Orsini, head of asset protection for [Luxottica Group](#), the Italian company that owns a variety of luxury fashion and eyewear brands popular with counterfeiters, including [Ray-Ban](#) and [Oakley](#). "The wrong U.V. protection can really damage the eyes. Also, lenses can change the perception of color. You may not properly recognize colors when you're in the car at a stoplight."

Counterfeited prescription drugs, meanwhile, present a direct health threat. Rogue manufacturers can toss together who knows what, and sell it to uneducated consumers in an unregulated market. As my *DailyFinance* colleague Barbara Thau pointed out in an article earlier this year, regulated goods are "subject to state and federal safety standards." Counterfeited products obviously are not.

Fighting Back Against the Fraudsters

As people have become more accustomed to shopping online, a vast new market has opened for counterfeits. Where they were once limited to storefronts, street markets and back-alley dealings, counterfeiters can now hock their knockoffs on the Internet. "The Internet is the new flea market," says Spreekmeester, who is also co-chair of the Outdoor Apparel Industry Counterfeit Task Force, a coalition of companies including [Patagonia](#), [Marmot](#), [Columbia](#) and [UGG](#), that are banding together to address the growing problem.

In the digital marketplace, knockoffs are showing up both on legitimate sites such as [eBay](#) and on

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"rogue" websites designed by counterfeiters to resemble legitimate ones. Counterfeiters "abuse our intellectual property," says Orsini. "Our brand name, our product name, our images, our logo, our design, they take anything they can. And they can open and close a website within two hours, so it can be hard to trace."

The result has been an explosive growth in the sale of illegal goods in recent years. According to the U.S. Customs and Border Patrol, the division of the Department of Homeland Security responsible for counterfeit goods, last year the [government seized almost](#)

[20,000 shipments of counterfeit goods worth \\$188 million](#). In comparison, in 2005 the government seized roughly 8,000 shipments totaling \$93 million.

Interestingly, although the number of seizures is increasing, the value of each intercepted shipment has been shrinking rapidly -- from \$17,566 per seizure in 2009 to \$9,425 in 2010. The U.S. Customs and Border Patrol speculates that this is due at least in part to an increase in the "high-volume/low-value" business, thanks to "consumers seeking lower-priced goods due to the poor economy."

"If a Deal Seems Too Good to Be True ..."

Finally, sales of counterfeit goods represent lost money for both the American and global economies. The estimated value -- as measured by the "Manufacturer's Suggested Retail Price" -- for all 2010 seizures is \$1.4 billion. Of that, almost \$200 million was directly removed from the domestic economy, which means not only that companies lost those sales, but also that no state or federal taxes were collected on these transactions.

Complicating all of this is the fact that it can be difficult for a consumer to distinguish between an authentic and counterfeited product online. So, what to do? My colleague, [Barbara Thau](#), compiled a great list of tips to help consumers avoid counterfeits.

Manufacturers are determined to curb the problem, which Orsini says is proportional to the success of the brand. "If the brand is strong, there's an equally strong problem with counterfeiting." To help consumers identify where they can buy authentic products, most manufacturers include a list of authorized retailers, and in some instances even link directly to those sites to help consumers avoid falling prey to fake websites with frustratingly similar names.

"It's a lot of common sense," concludes Spreekmeester. "If a deal seems too good to be true, it probably is too good to be true ... We've had instances where consumers have called us and said, 'I bought a Canada Goose jacket online, my credit card was swiped three times and nothing was ever sent to me.' Check out the retailer you're buying from. Whether it's bricks and mortar or online, do yourself a favor and do your homework before you buy."

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