

Batteries have been known to explode

Alcohol could blind you

Toys may be dangerous to children

Faking it

Buying fake goods might be good for your wallet, but it's bad for your health. We investigate the real cost of counterfeiting

During a recent trip to a local market we bought a walking Teletubby toy for just a fiver. A bargain? Not when you know it's full of chemicals that can permanently damage your child's health. Buying counterfeit goods can endanger your health, your children and even your life.

Counterfeiting is copying trademarks or names or creating misleading packaging and product shapes. Officially it's known as intellectual property crime, and it's on the increase – according to Phil Lewis, policy adviser on counterfeit goods for the Patent Office: 'Agencies have been reporting a huge increase in counterfeiting.' In 2004, more than 100 million counterfeit items were seized by EU customs – almost ten times more than in 1998. And there's substantial evidence that counterfeiting supports other serious crimes, including terrorism.

Counterfeiters don't just produce DVDs, watches or fake 'designer' clothes any more; they also distribute dangerously toxic toys, power tools that can electrocute you and even teabags containing mouse droppings. Nearly 70 per cent of the counterfeits seized by EU customs had the potential to cause physical harm.

This newer type of counterfeiting also includes medicines, alcohol and perfume and can cause anything from mild skin reactions to, in the worst cases, death. But research by the Anti-Counterfeiting Group, a campaigning group representing brand owners, shows that most of us in the UK aren't even aware such counterfeits exist.

WHAT WE UNCOVERED

Which? put reports of counterfeiting prevalence to the test. We trawled markets, high streets and the internet to find just how easy it is to buy dangerous counterfeit goods. Here's what we found.

Toys

Visiting a London market with trading standards officer (TSO) Giles Speid, we saw numerous toys claiming to be the real deal, from Star Wars figures to Teletubby lookalikes. None of the five toys we bought had correct safety or manufacturer labelling, and three of them failed our safety tests. One toy, designed to be cuddled by young children, contained more than ten times the legal limit of phthalates, a chemical thought to damage the reproductive and digestive systems and the liver. Based on the results of our safety tests, trading standards now plans to carry out seizures and prosecute the traders.

Cigarettes

You might think cut-price cigarettes are cheap because they're imports. But we bought five packs of top 'brand' cigarettes from street traders and

stalls, and every pack was counterfeit. Fake cigarettes, which have even found their way into the shops, often contain high levels of lead and arsenic and much higher levels of nicotine and tar than legitimate ones, and produce a lot more of the gas carbon monoxide.

Perfume

Counterfeit fragrances can cause skin burns or rashes, and have been found to contain anything from pond water to urine. During our trip to the market, we bought a fake bottle of Eternity plus a bottle of Love Actually perfume that claimed links to the film. We spoke to Universal Studios, the film's makers; it had never heard of this perfume.

The mark-up for counterfeits

is higher than for class-A drugs

Sunglasses

Fake designer sunglasses are unlikely to provide any protection against ultra-violet rays, which can permanently damage your eyes. Low-quality hinges are often a give-away.

OTHER COMMONLY FAKED ITEMS

Alcohol

Fake spirits can contain high levels of the chemical methanol, which can cause blindness, coma or even death. There have been numerous deaths worldwide caused by counterfeit alcohol, including that of a Scottish woman who died in 2003 after drinking fake vodka.

Power tools and electrical appliances

Counterfeit electrical appliances, usually made in the Far East, won't have been through the rigorous safety tests required for sale in the UK. They are likely to have faulty wiring and substandard parts, all of which can overheat or allow live electrical parts to come into contact with the user.

MORE PROFITABLE THAN HARD DRUGS

'Counterfeiting isn't just a small-scale, low-profit cottage industry; those in enforcement are clear that the mark-up for counterfeits is higher than that for class-A drugs,' warns Phil Lewis.

Around 5 to 9 per cent of goods sold worldwide are counterfeit, making counterfeiting an industry worth hundreds of billions of pounds. The percentage for medicines may be higher; a World Health Organization report suggests that counterfeit drugs are sold in both developed and developing countries and comprise more than 10 per cent of global sales of medicines (see 'Medicines on the internet', p18).

A GLOBAL THREAT

It's very difficult to crack down on the source of counterfeiting. Breaking down international trade barriers has made it easier for organised criminals to import counterfeits into the UK, often from Asia (97 per cent of fake toys seized by EU customs in

2004 came from China). A former police spokesman on counterfeiting, Graham Satchwell, is still active in the fight against pharmaceutical fakes. He says: 'Taking counterfeits off the UK market won't stop the worldwide flow. Globally this threat costs tens of thousands of lives annually.' He stresses that more international co-operation is needed to tackle the problem of counterfeiting.

HM Revenue and Customs (HMRC) seizes many counterfeits before they enter the UK but says it's impossible to catch every fake. We were told: 'HMRC has to prioritise higher risks, and deal with other dangerous crimes, such as drug or weapon smuggling, as well as counterfeiting.'

UK ENFORCEMENT

Bryan Lewin, lead officer for counterfeiting at the Trading Standards Institute, says: 'In the past, counterfeiting wasn't a priority for enforcement agencies, but it's moved up the agenda as dangerous counterfeits like medicine are made.' He's concerned that trading standards offices have so many responsibilities that some don't have the staff to tackle counterfeiting effectively. Officers work with the police as much as possible but a recent National Criminal Intelligence Service report states that intellectual property crime is 'not a priority' for most UK police forces.

During our market visit, TSO Giles Speid pointed out items likely to be counterfeit on almost every stall, from trainers to toys to sunglasses. Even

How to avoid buying fakes

Consider the three Ps – people, place, price. If the person or place seems dodgy, steer clear. If the price seems too good to be true, it probably is.

Remember that traders are counting on you to assume that products are imports, rather than counterfeits.

Know your regular brands and keep an eye open for spelling mistakes, different colours, poor logos or inferior quality.

Be wary when buying goods on the internet and always use trusted sources. Check at www.rpsgb.org/ registration whether an online pharmacy

is registered with the Royal Pharmaceutical Society of Great Britain (RPSGB).

TAKE ACTION

To report counterfeit medicines, contact the Medicines and Healthcare products Regulatory Agency on 020 7084 2000 (weekdays from 9am to 5pm) or 020 7210 3000 (at all other times).

Report any other counterfeit goods to your local trading standards office. Contact details for offices across the UK can be found at www.tradingstandards.gov.uk/consumers/consumers.cfm

What's the big deal?

Counterfeiting may save you money in the short term, and many people think of it as a victimless crime, but here are just a few of the many reasons not to buy fakes.

- The goods could be dangerous, with consequences ranging from skin rashes caused by dodgy cosmetics, to electrocution by fake power drills and death from drinking counterfeit alcohol.

- People who trade in fake goods are often involved in organised crime, including terrorism; when you buy a bargain 'designer' handbag, you could unwittingly be funding this kind of international crime.

- In avoiding paying tax initially, you may end up paying even more taxes to make up for the deficit caused by counterfeiters not paying levies on the items they sell.

- You forfeit your consumer rights if you buy counterfeit goods – you won't get your money back if things go wrong.

- Buying fake goods deprives the intellectual property rights owner of the profits, some of which may pay people's wages or be used for medical research.

though he'd been involved in a huge raid on the market only a week before, he recognised many of the same faces during our visit. 'There are some traders who continuously break the law because the mark-up's so high and the penalties are so low.'

The Medicines and Healthcare products Regulatory Agency (MHRA) is responsible for medicines in the UK. Its Head of Enforcement, Danny Lee-Frost, told us: 'The global risk from fake medicines is growing as those involved in this dangerous criminal activity develop ways of getting round existing safeguards. We treat each discovery very seriously and, although no market is impenetrable, the legitimate UK supply chain is currently safe from large-scale contamination.'

PUBLIC AWARENESS

TSOs need help from the public, too, but they don't always get it. 'People just go for the bargains, no matter what,' says TSO Dave Appleton in Liverpool, where counterfeiting is a huge problem. He feels that, unless public attitudes change, criminals will be able to carry on making easy money.

TSO Giles Speid also sees increasing awareness as crucial: 'If consumers really knew the consequences, they might have a different view on buying counterfeits.'

Embarrassed consumers rarely report the fake goods they've bought, so the crime's prevalence has been underestimated. As Bryan Lewin points out: 'Intellectual property crime is a form of theft; we need anyone who buys or sees fake goods to tell us.'

Medicines on the internet

Fake medicines are hard to recognise and can cause prolonged illness, unexpected side effects and, in the worst cases, death.

Their sale has rocketed thanks to the internet, which allows illegal pharmacies (often based outside the UK) to sell dangerously-substandard medicines directly to UK residents. A study carried out by the RPSGB found around half of Viagra samples bought online to be counterfeit. The MHRA constantly monitors the internet and is investigating some 90 sites for breaches of legislation, including

counterfeiting. But it has the power to prosecute only sites based in the UK; otherwise it's limited to registering a complaint with the appropriate regulatory body.

The MHRA and other medical agencies warn against buying medicines over the internet if there is no guarantee that the product is authentic. You should always buy prescription medication under the guidance of a doctor and from a reputable pharmacy; you can check a pharmacist's registration details on the RPSGB website – see 'How to avoid buying fakes', p 17.

FAKING – THE FUTURE

Counterfeiters are using the latest technology to produce fakes that can be hard even for brand owners to recognise. To stay one step ahead, manufacturers and intellectual property rights owners add holograms or other features to make their products harder to copy.

Enforcement agencies, brand owners and regulatory bodies are stepping up the fight against counterfeiting. The Department of Trade and Industry is proposing to establish regional 'scambuster' teams to help under-resourced trading standards offices, and organisations such as the MHRA and European Commission are working on initiatives and awareness campaigns.

In 2004 the UK Patent Office launched the Intellectual Property Crime Group, which has set up a centralised information service linking industry bodies, government, trading standards, HMRC and the police. Phil Lewis says: 'This centre will not only record incidents, but will help to analyse the problem and warn consumers about potentially hazardous fakes. In the coming months we will also see it take on a more operational focus: processing, evaluating and sharing information.'

The group is still in its early stages but Graham Satchwell sees it as 'a tremendously important step towards safeguarding the British public. There is an awful lot still to do but a good start has been made'.

Consumers also have a part to play: it's essential we recognise the hazards of buying fakes and do all we can to help stop this dangerous crime.

How to spot a fake

All major cigarette brands have been counterfeited, and at first glance it can be hard to spot a fake pack. Regular brand smokers may be able to tell from the taste, but there are give-aways before you light up. It's easier if you have a genuine pack to compare.

The colours may be slightly different – metallic colours are often duller

Fonts might be a different size or not as sharp

Many genuine logos are embossed – fake logos may not be embossed or may not be as sharp. Colours may bleed

Whites are often not as pure

The overlap of filter papers is often in a different place on counterfeits

The tobacco is often packed more loosely so fake cigarettes burn more quickly and you have to smoke more

Genuine filter papers have mottling that counterfeiters find difficult to imitate

