

Could've Fooled Me

By Reg P. Wydeven
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When my grandpa passed away in 1982, I inherited his wallet. I used it until I bought my car in 1998 and Oldsmobile threw in a free money clip that also held my license and credit card. So for the last 25 years, I've had two billfolds.

My sister, however, is a different story. Since purses are her only vice, she's probably handled more bags than O'Hare Airport. With designer handbags now being the chic accessory for celebrities, she's had to curb her suddenly very expensive habit.

Designer purses can range in price from several hundred to tens of thousands of dollars. Unfortunately, many consumers are priced out of the hottest 'must have' accessory. That's where imitation bags come in - ladies can look like they're riding in first class without actually paying for Coach.

Several articles I've written about focused on trademark infringement, usually involving music, software, or technology. But this latest form of piracy now involves handbags. The fake purse industry is growing at an exponential rate, as criminals are discovering that peddling fakes is more profitable than selling drugs, but has a drastically lower risk of being shot.

While some shoppers seek out fakes knowing they can't afford the real thing, many women are ending up with imitation bags after thinking they bought one that was authentic. After all, America's two largest retailers, Wal-Mart and Target, each got sued for unknowingly selling imitation handbags.

Luxury handbag maker Fendi sued Wal-Mart for selling knock-offs at Sam's Club warehouse stores, claiming the retailer did not have a purchasing agreement with Fendi. Target Corp. got sued by Coach for allegedly selling a counterfeit Coach bag in at least one of its stores. According to the suit, the bag had the signature "C" logo of a genuine Coach bag and copied other features such as the "Coach" tag. Coach is seeking \$1 million in compensation from Target for the alleged trademark infringement.

And in case you didn't notice, when it comes to imitation handbags, they even have their own lingo for the different types of fakes:

- * A 'counterfeit' is a product that bears a trademark that its maker had no authority to use.
- * A 'knockoff' is an item that looks like a branded product though it doesn't actually bear a forged trademark, and
- * A 'third shift' is an unauthorized product made by an authorized contractor. Because it's cheaper, many manufacturers have outsourced their operations to other parts of the world. If a U.S. company orders 25,000 purses from a factory overseas, some factories will make the 25,000 purses during the first two shifts, but make another 10,000 trademarked purses during the 'third shift', typically using inferior materials, that are later sold on the black market.

In 2003, Too Inc., which runs the Limited Too chain of clothing stores for girls, settled its lawsuit against discount retailer TJ Maxx, who was allegedly selling over 650,000 third shift garments. In fact, TJ Maxx was selling many more units than Too had ever ordered from its Asian suppliers, and what Too had ordered was still being sold in its own stores.

So if you want to ensure you're buying an authentic designer purse, if a deal seems too good to be true, it probably is. So shop only at authorized retailers or Internet sites and be prepared to pay a premium. If you follow these rules, it's in the bag.

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