



The London-based event was attended by leathergoods brands and graduates entering the fashion industry. CREDIT WTP

Beast to Beauty: The scourge of counterfeiting

The fifth Beast to Beauty conference, was held in London, and addressed how cheap imitations, false labelling and fraud has a profound impact on leathergoods companies, their supply chains and consumers.

The rapid rise in the number of counterfeit leathergoods seized by customs officials around the world and the impact on both the fashion industry and wider global economy was top of the agenda at the fifth Beast to Beauty conference. Held at Chelsea Old Town in London speakers discussed how fake products, imported mainly from Asia but also increasingly from other destinations, were hitting companies' profitability, duping consumers and in some cases flooding the market with unsafe merchandise.

Some of the strategies British leathergoods brand Mulberry adopts to counter the problem were outlined by the company's lead of legal, Kate Anthony Wilkinson. She quoted a European Union estimate that counterfeits from Asia are costing the UK £30 billion and 14,800 jobs per year, while consultancy PwC says it costs the global economy \$650 billion per year.

Mulberry is one of the few remaining English leathergoods manufacturers – 50% of product is made in its factories in Somerset – and Ms Anthony Wilkinson

stressed the importance of registering a trademark in the regions and classes a company operates in.

"We're currently seeing a big increase in counterfeits: it's because the brand is well-known, because it's aspirational," she said. "Not all are coming from China and the Far East – some are coming from Turkey and Italy – and some are better than others."

The brand's Alexa, Daria and Lily designs are copied the most, but completely random bags with the Mulberry badge are also on the market. "So it's not necessarily a copy of the bag, it's a copy of the branding," she explained.

"The good news is we're seeing an increase in seizures by customs and borders officials around the world. Working with these agencies means we can protect most territories. Sadly, we're not alone – all brands have this problem."

In many countries, the sale, manufacture and importation of the items is illegal, but some – such as Italy – go a step further and make owning a counterfeit product illegal. "It's nice to know that some countries take it very seriously."

As well as undermining profit, the practice stifles innovation; brands spend time and money on design, refining those designs and making prototypes, which is reflected in the cost. "We need to be able to encourage creativity by protecting the designers and developers."

There are also huge quality and manufacturing issues such as poor conditions in factories. "Anyone with a conscience should remember that in order for these counterfeiters to churn out these items cheaply they're not paying their employees proper wages and not providing good conditions."

What can be done to prevent it? Online marketplaces such as eBay provide the platform for illicit sales, as well as social media. The team at Mulberry helps shut down between 150 and 200 fraudulent websites per month and can take 100 fakes off eBay in a day.

Customers need to be educated on the quality of the leather and components, and the craftsmanship that goes into each bag, she says. Other tools against counterfeiting include codings and certificates for bags, holograms and hidden



A few of our speakers



Amanda Michel, director of Leather Wise.



Handley Brustad, Trading Standards.



Jacqueline Glasspool, quality manager, SATRA.

marks, which the company is beginning to look at. They undertake private prosecutions, remove fraudulent websites and carry out market raids in collaboration with the police, Trading Standards and other agencies.

"Counterfeiting is not a victimless crime, there are people who suffer, and there are usually gangs involved, in many cases associated with drug dealing, terrorism and other offences. It's an easy way for gangs to obtain money to further other interests," she added.

Trademark registration

Fresh from Graduate Fashion Week, a number of the UK's top young designers attended the conference, displaying their footwear and leathersgoods collections and networking with prospective employers. Many are on the cusp of launching their own brands, and Andrew Hawley, an attorney at law firm Marks & Clerk, explained how they would be able to gain some protection by registering trademarks. "Once you've got a trademark registration you can register it at customs," he said. "EU officials can send details of it to ports of interest along with telltale signs of how you can tell a counterfeit from a genuine product."

Amanda Michel, director of consultancy Leatherwise, said mislabelled materials and 'faux leather' are often passed off as the real thing. PVC-coated fabric is the most common imposter, found in cheap furniture, while polyurethane-coated fabric or fabric backed with leather fibre is more difficult to distinguish. "What is the true cost of using faux leather?" she asked. "PVC is made from plastics, which are made from oil and oil is a finite reserve. Leather comes from a renewable resource – it is a byproduct of the meat industry, so by using faux leather you're depleting what is, economically, a vital resource."

"The leather industry is also sometimes

criticised, inappropriately, for causing pollution. Modern leather production is very clean and the amount of pollution it creates is very little – manufacturing PVC creates infinitely more."

Trading Standards' Handley Brustad explained the dangers presented by counterfeit upholstery – in many countries, items have to offer a level of protection against flammability; items without present obvious dangers. Worse, he highlighted the danger of fake medicine, food and drink which proliferate in the market and pose serious health risks to consumers.

The knock-on effect of the horse meat scandal in the UK last year led to a 30% decline in meat consumption, said Liam Fassam from the University of Southampton, who highlighted the importance of tackling fraud in the supply chain. "There are instances of containers being opened en route, and genuine

articles being replaced by counterfeits and then making their way into retail – in some cases, you or I would not know the difference." A disconnect between government agencies and regions only adds to the discord, he said.

Certification

Testing company SATRA, which certifies leather, leathersgoods and footwear, has seen instances of doctored certificates. "If the pdfs are not secured, the chances for them to be altered become very easy," said quality manager Jacqueline Glasspool. Companies might remove a reference to a failure or a poor result, or alter a date to make the certificate appear to be more recent than it is. "In some cases it can be nigh on impossible to detect changes."

Private investigators John Lambert and Lee Kent from POC Management discussed actions that can be taken to uncover and dismantle counterfeiting operations. They work with leathersgoods brands to monitor counterfeits sold online. Hitting the supply chain near the top is vital, and they have been involved in covert operations to uncover importers and overseas manufacturing locations which can curtail the problem at source.

Following the event – which was sponsored by Pittards, the Worshipful Company of Leathersellers and Marks & Clerk, and organised by *World Leather*, Leather Wise and the University of Northampton – delegates and speakers gathered for additional networking. ●



Supported by the Worshipful Company of Leathersellers, some of the UK's top graduates – from the University of Northampton, Nottingham Trent University, Cordwainers, De Montfort and London School of Fashion – displayed their recent collections. CREDIT WTP