

Anti-Counterfeiting Virtual Research Symposium Summaries

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Advancing the Safe Disposal of Counterfeits

Ronald Brohm,
React

As the number of counterfeit products have increased, so have seizures of such products and the need for their safe disposal. Most countries dump or incinerate seized counterfeit products. But without proper storage and destruction, seized counterfeit products threaten environmental harm.

React, a nonprofit anti-counterfeiting network, seeks more environmentally and socially responsible ways to dispose of counterfeits. React brings together more than 300 companies around the world in the fight against counterfeits. The organization helps members and law enforcement detect, seize and dispose of fake products, storing all seized goods in bonded React warehouses and providing the infrastructure, finance, staff and procedures to dismantle the goods and recycle the materials.

In 2005, React launched a pilot project with Dutch Customs for the environmentally safe disposal of fake goods at a “social workplace,” which employs psychiatric patients seeking to return to the workforce in a controlled environment. Counterfeit goods seized in Belgium and the Netherlands are brought to the social workplace, where the employees dismantle counterfeit products and recycled components such as plastic, metal and wire. All processes are approved by the International Organization for Standardization.

Advantages of this approach include:

- Recycles up to 98% of components
- Costs about 10% of the cost of traditional disposal
- No burden for customs personnel
- No return of any products to the market

By reusing the fake goods raw materials, React contributes to a safer and more **eco-friendly** world.

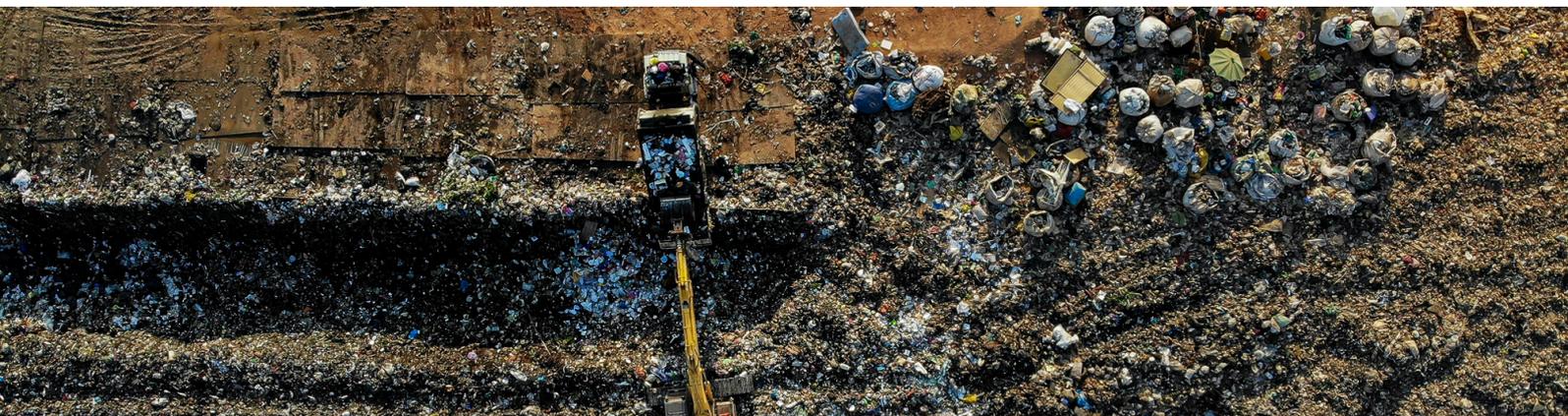
Examples of how React recycles fake goods include:

- Fragrance containers are recycled for the box’s paper and foil, the glass bottle and even the fragrance itself for use in a cleaning product or fuel.
- Counterfeit textiles are recycled for use in sport surfaces, asphalt underlays or other surfaces.
- Belts and other products with metal have their metal parts removed and recycled, with the remaining elements shredded as textiles are.
- Synthetic toy materials are shredded and reused to produce new synthetic products, such as garbage bins.
- Electronic goods are dismantled, with each component sold for different uses.

The recycling initiative is one aspect of React’s customs enforcement program. Others include:

- Facilitating customs applications
- Customs training
- Customs technical assistance
- Providing business risk information to aid detection
- Storage of seized goods

Countries may adapt the React approach to lower the costs associated with counterfeiting.



The Illegal Trade of Medicines on Social Media

Gabriele Baratto,
University of Trento

The illegal trade of medicines is a \$75-billion-per-year business, according to recent estimates. Globally, the World Health Organization estimates 10% of all medicines are falsified, with their identity, composition or source deliberately misrepresented. Such trade has increased with the development of online pharmacies. Estimates suggest there are about 50,000 online pharmacies — and of these, about 95% are illegal. The most popular medicines purchased online are so-called lifestyle medicines, but there is increasing illegal trade in other medicines, including lifesaving ones.

In recent years, the growth of social media has paralleled that of online marketplaces. Legitimate as well as illegitimate businesses — including those selling illegal medicines — use social media to reach their customers.

Both public and private parties seek to prevent the illegal trade of medicines on social media. Public actions include laws, treaties and other regulations on the internet and social media. Private actions include enforcement of terms of service and situational crime prevention (SCP) measures. Among the latter, social media have introduced SCP techniques during the last few years that aim to identify, block and remove illegal contents.

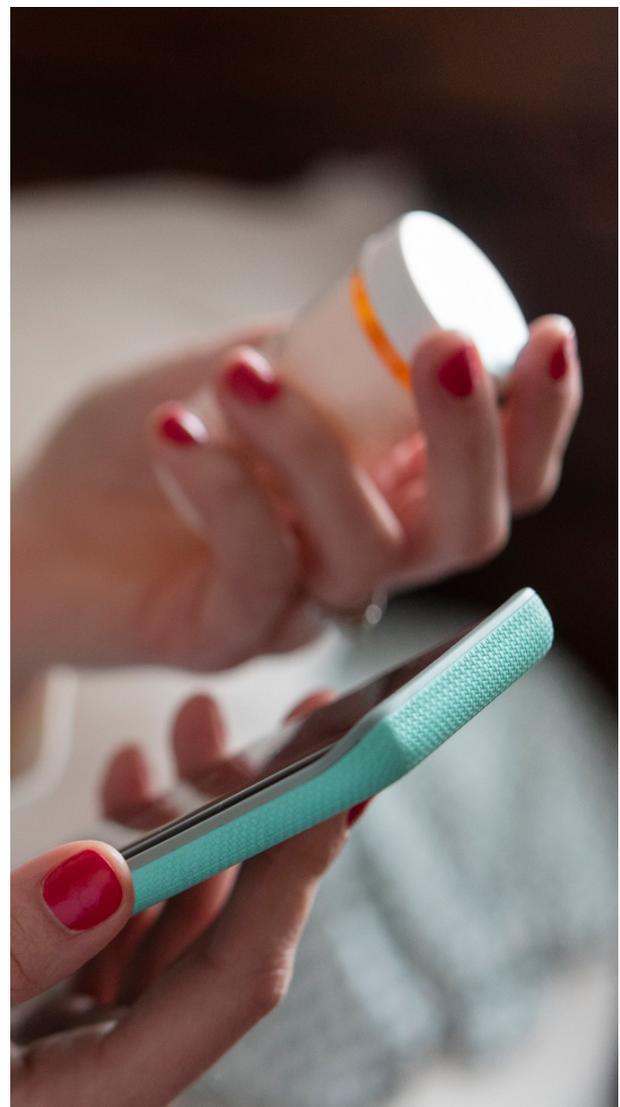
Despite these efforts, research on the use of social media for illicit trade is somewhat scarce. [Gabriele Baratto](#) seeks to fill this gap, with a focus on the illegal distribution of medicines.

To assess the illegal trade of medicines on social media and the efficacy of SCP measures against it, Baratto undertook analysis in three main aspects. He examined trade by platform — Twitter, Facebook and Instagram — and by therapeutic category, such as for bodily function or performance, painkilling or behavior changing. The final analysis considered the impact of SCP techniques on the availability of such medicines on social media.

Baratto found that SCP measures had a limited impact, since they are spotting, blocking and removing only some illegal content. The three most common illegally-traded medicines were those for treating erectile dysfunction, enhancing bodybuilder performance and promoting weight loss. As the platforms seek to address text advertisements for illegal medicines, traders have turned to visual images to attract users. Illegal traders also use phone numbers, email or online messaging services to communicate with buyers, which helps them avoid detection and shutdowns of their online pharmacies.

Still, measures against some categories of illegally traded medicines have been effective. The platforms have completely removed content about psychoactive medicines. They also have been effective in finding and removing content related to specific branded medicines. But loopholes remain. For example, platforms block searches for “Viagra.” But those for “Kamagra,” an Indian brand, can lead to similar products, including Viagra.

Baratto’s research points to three issues for future consideration. First, illegal traders of medicines may turn to advertising “natural products,” “herbal remedies” or “food supplements” to evade platform controls. Second, public social media advertisements may help collect private contact information that enable private interactions for the illegal trade of medicines, which allows the traders to evade legal prosecution. Third, both social media and the illegal trade of medicines are ever changing, necessitating continual monitoring of both to curb illegal trade.



Dupe Influencers: The Concerning Trend of Promoting Counterfeit Apparel, Footwear, and Accessories on Social Media

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American Apparel & Footwear Association
(AAFA)

As social media have grown, so have the number of “influencers” on it. Merriam-Webster’s dictionary defines a social media influencer as a person who generates interest in something — such as a consumer product — by posting about it. Once limited to celebrities with massive followings, influencers now include others with smaller but still substantial followings.

Most influencers use their platforms to promote authentic products. But a growing number, research by the American Apparel & Footwear Association (AAFA) finds, are promoting counterfeit products, or “dupes.”

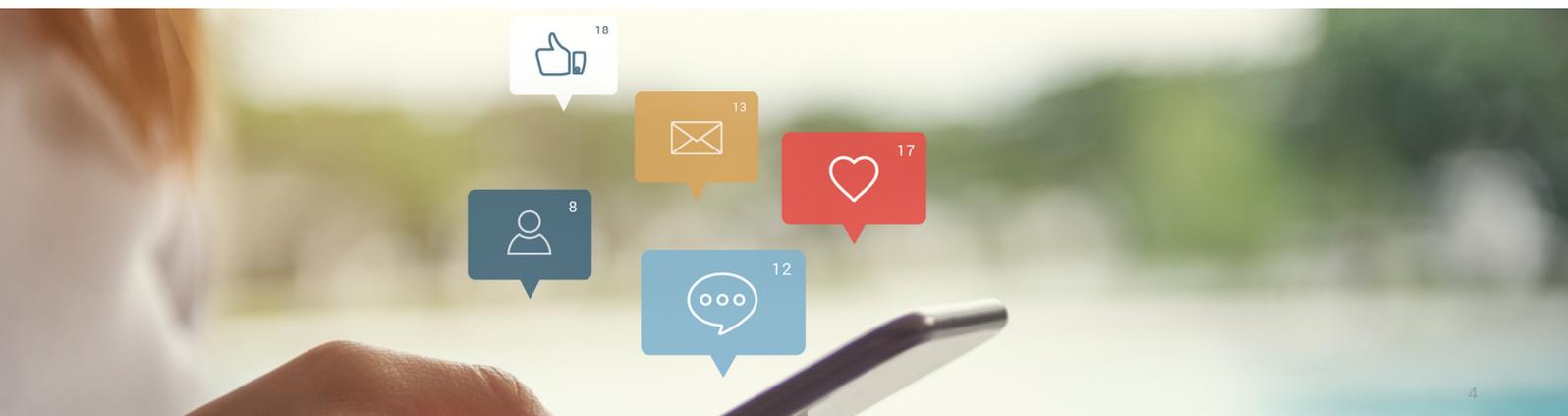
“Dupe influencers,” that is, individuals with social media followings who share links to and review counterfeit goods, use many of the same tactics that legitimate influencers do. This includes “unboxing,” where influencers showcase their packages and virtually open products with their audience. Dupe influencers may also have sponsorships or giveaways from producers of counterfeit products. Some dupe influencers provide tutorials on how to find popular counterfeit items and provide links to sellers of counterfeit products.

Private and public parties are beginning to take action against dupe influencers. Amazon sued two influencers for allegedly teaming up with third-party sellers and using social media platforms to promote counterfeit goods sold on Amazon and devising a plan to circumvent counterfeit-detection systems. The Federal Trade Commission is monitoring influencers. It also has released endorsement guidelines for influencers, addressing fake reviews.

The AAFA makes five recommendations to combat dupe influencers. These are:

- Clean up platform sites. Social media platforms have implemented many policies to combat counterfeits but can do more to remove violating content.
- Block dupe-related hashtags. The AAFA research found #designerdupefinds had more than 6.5 million views on TikTok. Other hashtags such as #brandnamecopies promote the sale of counterfeits, as well. Such anti-counterfeit efforts must evolve as hashtags do.
- Terminate the accounts of dupe influencers who repeatedly promote counterfeits. Dupe influencers who promote counterfeits are violating the terms of use in place for social media platforms.
- Have dupe influencers improve their product disclaimers. Some dupe influencers may not understand what a counterfeit is or that they are facilitating the trafficking of illegal products. They may, for example, confuse “knockoffs,” products designed to look like another but not bearing the other product’s trademark, with “counterfeits,” which illegally bear another’s trademark.
- Provide consumers with more information about the reach of counterfeits. Many consumers do not understand the consequences of buying counterfeit goods. Those who do often point out to dupe influencers the problems of counterfeit goods.

Find this and more information at www.aafaglobal.org/DupeInfluencers and on social media using the hashtags #FightFakes and #DupeInfluencers.





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