

**“Knockouts of Knockoffs:”
The Global Implication of Fashion Piracy**

**Melissa A. Decker
Contemporary Perspectives
Professor Rosenthal
December 1, 2004**

Table of Contents

I. <u>Introduction</u>	1-2
II. <u>Global Trend</u>	3-6
III. <u>Impact on Profession</u>	6-10
IV. <u>Case Study</u>	10-15
Conclusions	15
V. <u>Implications</u>	16-17
<u>Works Cited</u>	18-21

I. Introduction

Every generation has its idea of beauty, but no society can match the obsession Italians have with putting their best face forward. Italians have developed a reputation for being overly focused on appearances, but it is much more deeply rooted in the Italian tradition to project honor and decency. Beauty is at the heart of Italian culture, and it carries over into all aspects of Italian life. Presenting a “Bella Figura” or the best appearance possible is crucial because it directs the Italian code of conduct from art and cuisine to business ethics. The importance of appearance is ingrained in Italians because it “. . . starts with the physical and superficial but goes beyond. It governs behavior, language, customs . . .” and preserves another Italian tradition—family honor (Wilkinson). The Italian culture is manifested in all that they do, particularly in the field of fashion.

However, the growing phenomenon of counterfeiting and trademark infringement undermines the integrity of businesses, hinders economic development, and disrespects the rules of competition. Still, what is more staggering is individuals’ reaction to this crime at a time when economic deficits are mounting and thousands of individual jobs are either becoming obsolete or faded out. Moreover, the flourishing counterfeit market is threatening the very fabric of Italian society. “The counterfeit industry in Italy is worth about 4-6 billion euros [or roughly about five to seven billion dollars], with fashion representing 60 percent of revenue, according to Italy’s Anti-Counterfeiting Association” (Agence). Counterfeiting is not only threatening the vitality of Italy’s fashion sector, but rather the industry worldwide.

The counterfeiting of designer goods is one of the most prevalent international crimes. Counterfeiting or infringing on a trademark is essentially copying someone’s design or registered trademark and selling it for profit. While it seems unethical for others to benefit from an idea

belonging to someone else, it is a common occurrence in this industry. However, the problem of counterfeiting affects sales for high-end designers as well as the overall performance of the economy. Moreover, with the introduction of advanced technology and production capabilities, designers are finding it harder to distinguish their products from impressive imitations. As a result, consumers are more inclined to purchase “sophisticated and authentic-looking” counterfeit designer merchandise because these products are available at a fraction of the price they would pay for an original (Ferla).

Despite the growing popularity of counterfeiting and the ever-increasing fine line between inspiration and imitation, there has yet to be significant global consequences. Without stringent laws to reinforce the seriousness of this type of crime, it will continued to take a backseat to what law enforcement agencies consider to be more ruthless and violent crimes. In the subsequent pages, the complex distribution network and ramifications of counterfeiters’ actions will be evaluated as well as the ethical undertones associated with counterfeiting and trademark infringement.

II. Global Trend

The production process of many counterfeit manufacturers has become increasingly sophisticated and efficient. Improvements in technology have taken the skill out of manufacturing to the extent that it is almost impossible now to differentiate between knock-offs and genuine goods when they are right beside each other. In fact, there have been instances where counterfeit merchandise has ended up on the shelves of “reputable U.S. and European shops” (Goodman). In the U.S., fakes have permeated legitimate distribution sources such as the department store Daffy’s. Naively, Daffy’s had purchased about 600 pirated Gucci handbags, despite negotiating and contracting with one of their frequent suppliers. Prior to going to trial, Daffy’s went to great lengths to verify the authenticity of the bags and to determine their origins by conferring with qualified Gucci store employees. In court, Daffy’s argued that they were unaware of the phoniness and that the fee for this particular lot was just as costly as genuine Gucci merchandise (Goodman, Edwards). This example clearly demonstrates the amount of effort and labor some manufacturers invest into producing pirated copies which can fool even those with a trained eye.

Although the international capital of piracy and counterfeiting title belongs to China, it is by no means the sole exporter of these goods. Most often, the bulk of the counterfeit goods derives from China; however, other European and Asian countries also contribute to the problem by providing the assembly grounds for the merchandise. In fact, most of the distribution process takes place outside the country’s borders. For instance, the parts for counterfeit Rolex watches were manufactured in China; however, they were creatively smuggled, sometimes under car floorboards, through several countries including Hong Kong, Malaysia, Austria, Belgium, and Germany, before reaching its ultimate destination. While there, the products were completed and

received the finishing touches such as “internal identifying marks identical to the ones found in real Rolexes” (Goodman). In addition, to top off the timepieces, gold cases were crafted by local artisans (Goodman). It is because of this ingenuity that in order to truly make headway on global counterfeiting, China cannot be the only country singled out.

As a result of the extensive amounts of shipments exported daily, it is almost impossible for custom control officials to check, let alone retrieve, counterfeit merchandise before it leaves a country’s port. However, the problem is further fueled by bribes; corrupt Chinese customs officials exacerbate the problem by knowingly allowing counterfeit merchandise to be shipped throughout the world. European custom authorities reported, “nearly three-fourths of all counterfeit luxury goods seized in 2003. . . originated in China or Hong Kong” (Goodman). In fact, many merchants claim they can arrange shipments anywhere because their friends at customs “will make sure the goods are not checked” (Goodman).

Piracy and the nuisance of knockoffs is an international problem, but clearly the Internet has given a new meaning to the globalization of this problem. “The Internet, like the high seas, is an international environment. In it, computers in various nation states are interconnected . . . [g]lobally, the Internet is said to consist of 15,000 computer networks linked to twenty million users in over 175 countries, numbers which are increasing daily” (Smith). With the advent of the Internet, information is more readily available and ubiquitous. Similarly, the exchange of goods and services has exponentially increased by using this medium. But just as the Internet has created benefits, so too have the challenges escalated. Due to the boom and bust of the dotcoms, it has become harder to identify offenders, let alone punish them. Over the past ten years, the advancements in technology have moved the Internet up to the third largest market for counterfeit sales (Passariello).

The Internet has given rise to a completely new channel of distribution; not only does it make prevention of trademark infringement more difficult, but it also substantially increases the number of victims. Because of the Internet, it is no longer necessary for a buyer and seller to be concurrently present at the time of the transaction. Although speed and the efficiency of sales have improved, at times the human connection can be lost when sales span across various continents and consumers and merchants living in conflicting time zones.

Moreover, the intellectual property rights of individuals and companies are much more easily compromised. Internet sales are contingent upon the elements of good faith and trust since the other senses, particularly touch, have been removed from the decision-making equation. Simply put, “[i]f you cannot trust the brand, you will not trust the site” (Waldmeir). Perhaps more than in any other sector, the old adage “buyer beware” resonates particularly true for Internet sales.

Due to the infantile sector of the market, e-commerce rules and Internet case are still relatively uncharted waters. In fact, there is little case law at both the national and international level to provide guidance. Currently the onus is on the rights holder to monitor the marketplace. However, traditional retailers believe Internet brokers should be held accountable for protecting trademarks because these brokers profit from the retailer and designer’s brand names. Presently, there is a case pending in the United States in which the courts will decide the extent an electronic middleman will have to defend branded companies’ intellectual property. Moreover, at the heart of this case is establishing standards in this sector of the market including developing rules and regulations for Internet brokers. Many industry executives believe if tighter restrictions are imposed to curb the illegal activity on the Internet, it will halt the sale of all counterfeit

merchandise regardless of the actual type of products being offered, including CDs, apparel, computer software, and pharmaceuticals (Bates, Flahardy).

III. Impact on Profession

The business of fashion is unlike any other business in the world. In no other field is change so heavily relied upon and embraced. Historically the fashion industry has been dominated by one sector of the market, specifically the French or the Italians. In spite of this, as the design houses have progressed, the business of fashion has simultaneously evolved. With the globalization of fashion, there is no longer a clear leader amongst industry personnel.

Americans, Italians, English, and French equally share billing for the direction of fashion and battle over consumers' attention and monies. In a capitalistic society, competition drives the market. However, the increasingly prevalent illegal production of imitation merchandise is wreaking havoc on the fashion industry. A recent report demonstrated the devastation caused through noting “. . . in a five-year period when global trade grew by 47 percent, the market for counterfeit goods increased threefold” (Galbraith).

The depths of the counterfeiting trade are staggering; it is estimated that between five to ten percent of global commerce is composed of trademark piracy accounts. Unfortunately, this is not an isolated segment of the market. Worldwide, branded companies are losing out; on an annual basis, law-abiding merchants are being deprived of nearly 100 billion dollars (Gattinoni). In Italy, for instance, in addition to the illegal immigrants selling fake merchandise on the streets of Rome, it is the skilled craftsmen who are employed by the esteemed fashion house that must be contended with. Persuaded by the high profit margins associated with counterfeits, the independent craftsmen are lending their expertise to make fast money (Boudreaux).

In fashion, imitation is the sincerest form of flattery. As such, one measure of a company's success can be correlated to the amount of counterfeits and/or the number of inspired copies manufactured. For businesses, it is a "catch-22"; the hot trendy company whose goods are "in" are highly demanded by consumers, but these "in" products will be susceptible to counterfeiters seeking to ride their proven wave of success. "So much of a product's worth is now tied up in its brand and intellectual property, rather than its material constituents, that it becomes easy prey for counterfeiters who can exploit consumers' expectations of quality and service without the cost of having to fulfill them" (The Economist). For prominent brands and renowned designers, it is a matter of picking one's poison. The industry is split on whether it is better off being dominated by long-lasting, established labels, but saturated with counterfeits, or if it would be better to infuse the market with new, innovative designers and fresh brands that have the potential to steal consumers away from the top brands.

In addition to discrediting the integrity and reputation of branded businesses, many vendors, retailers, and consumers are being unwillingly duped in the process. In 2000, approximately 200,000 Rolex watches, many of which were counterfeit, were seized by Italian custom officials. Although these watches were apprehended before their arrival, the fake Rolexes were actually en route to boutiques in Northern Italy. Furthermore, because they were "so well made," Marco Fanti, Chief of the Anti-Fraud Department at the Italian Ministry of Finance, acknowledged, "even Rolex had trouble distinguishing them as fakes" (Goodman). In this case, a significant portion of the merchants also did not know of the scam; not only were they deceived but they were also unwittingly swindled out of money and sales.

However, far more consumers openly admit to knowingly contributing to the counterfeit luxury market. "The real problem is a strange perception among middle-class women and their

daughters that it's OK to buy knockoffs. . ." (Edwards). Sporting a knockoff no longer carries the same stigma it used to; it is no longer seen as a fashion faux pas. It seems within certain circles of those affluent enough to purchase designer goods, "it has become a decadent fad . . . in nobility for example . . . [to wear] at least one obvious fake among their accessories" (Boudreaux). Prosperous Hong Kong women echo this view by paying craftsmen across the Chinese border in Shenzhen to duplicate their handbags (Goodman). In fact, as indicated by a Milan Chamber of Commerce survey, eighty percent of Italian consumers acknowledged to having willingly purchasing fake goods (ICC). The resulting effect of all this is that as a whole the legitimate fashion industry is suffering. More specifically, according to Milan Chamber of Commerce survey, it was reported that three-fourths of the designer apparel and leather accessories producers feel victimized.

Furthermore, without strong laws to deter or make a significant impact on the counterfeiting market, designers and fashion houses have had to combat counterfeiters alone. Because of the proliferation of pirated goods, designers and branded companies have banded together to campaign against fakes and have initiated raids to seize the illegal goods. In recent years, the fashion houses have hired private detectives to conduct their own investigations. Considered experts, these investigators look into the trade of counterfeit by specifically tracking the trafficking patterns of their employers' brand of counterfeit competition. The information and research compiled by the investigators help curtail the financial damage inflicted by counterfeiters and inhibit future production of before it starts (Flahardy, Galbraith).

Another way designers and companies are fighting back is through forming trade associations such as the International Anti-Counterfeiting Coalition and the Global Anti-Counterfeiting Group (Bourdreaux, GACG). The integrated approach of these associations has a

three-pronged effect. One of the main priorities is to purge the market from counterfeits and to remove current, as well as future, intellectual property thieves. Secondly, their intention is to ensure legal recourse is a company's last resort by developing directives to better assist businesses in safeguarding their image and reputations (Agence, GACG, IACC). Another goal common to both, is creating public awareness in order to crack down on counterfeiting operations. Specifically, GACG is able to create a dialogue with national and international bodies by offering trademark registration and monitoring services to businesses worldwide. It orchestrates joint-interest action campaigns and provides information for greater consumer responsibility (GACG). IACC, on the other hand, provides training seminars for domestic law enforcement agents and customs authorities (IACC). These organizations serve as an international support network and seek to achieve fairer, more protective intellectual property and trademark legislation.

Although some of the upper-crust brand representatives dismiss counterfeiting as a temporary obsession, the majority of top tier brands do not share this perspective. However among those who consider counterfeiting to be a passing trend is the Chief Operating Officer for Louis Vuitton, Serge Brunschwig. Brunschwig is confident that, "people have a desire for the real thing," and that there is a big enough discrepancy between the products that in the long run the luxury market will be unaffected (Goodman). Besides Brunschwig, there are industry analysts who believe the market for authentic designer goods will remain intact because the market for "the real thing" and the counterfeit sector are mutually exclusive. Specially, the thought process is that the consumer who wants a designer product prefers to go into the exclusive boutiques and pay more for the allure associated with the brand name. These markets ". . . do not overlap. . . [because] such a consumer would never buy a counterfeit. . . on the street"

(Hundley). With the exception of Brunschwig, some industry analysts, and a handful of others, most are not as assured of the fleeting immediacy of counterfeiting. Furthermore, in the near future, many companies are worried the strength of their brand will be diluted due to the increasingly close resemblance the counterfeits appear to have to actual goods.

IV. Case Study

Although piracy and the counterfeiting of luxury goods can be viewed from a global perspective, “. . .no where is more damaging than in Italy, where high fashion helps define the country’s identity and drives its economy” (Boudreaux). Regrettably, the Italian counterfeiting market is flourishing; Italy ranks third in production of counterfeits but first in consumption worldwide. The Italian counterfeit leather goods industry alone estimates a turnover of 1.5 billion dollars a year (Gattinoni, ICC). This problem is further exacerbated by dishonest employees and greedy independent leather artisans. Generally, the production of counterfeit goods stems from an inside source; one who is legitimately employed, has extensive knowledge of the company and possess keen sewing skills. However, many “[c]ompanies don’t like to look inside, they prefer to think the threat is external. . .” (Fenton). In reality though, a counterfeiter either will approach an in-house factory worker for supplies or will operate out of a workshop located on the outskirts of Rome or Milan to where many luxury goods companies have contracted out work (The Economist). After the design house orders have been filled, the overrun or leftover materials are used to churn out pirated copies. More succinctly, Italy is “. . . a society of shrewdies. . . [w]here there is know-how, you will find this underground industry” (Kennedy, Tagliabue).

Although Naples has a longstanding counterfeiting tradition, recently Tuscany has become a hub for counterfeiting activity. According to data collected from the Italian Institute

for Defense, Tuscany is second in country for the largest quantity of imitation Gucci merchandise with thirty percent. Only Naples produces more Gucci knockoffs at fifty percent (ANSA). Because of this, the Tuscan manufacturing reputation for high quality leather products has been put in jeopardy by the influx of piracy chains within the region.

Tuscany specializes in the production of leather footwear. Among other regions, close to ninety-five percent of Italy's shoe and footwear market is centered in Tuscany and the Marches (Lynch). In addition to the business of Italian companies, many French designer goods are assembled in Tuscany. However, French fashion executives are less than satisfied with the current situation in Tuscany. Among the loudest complainers is the French label, Louis Vuitton. As it is now, Yves Carcelle, the Louis Vuitton Malletier president has devoted over fifteen million euros annually to defend the Vuitton brand (AFX). However, on a regular basis, the registered Louis Vuitton trademark LV monogram is infringed upon through the sale of counterfeit goods. Specifically in Italy, the fake Louis Vuitton products retail nearly forty percent less than authentic Louis Vuitton merchandise (Cunningham). Because of this, the growing sentiment among Italian and non-Italian incorporated luxury brands, like Gucci and Louis Vuitton, is to scale back international production and outsourcing. Preemptive action is being taken by European luxury groups by repurchasing their brand licenses and improving distribution monitoring. Furthermore, in order to ensure better quality control processes and smarter allocation of brand protection monies companies need to define and quantify their current manufacturing problems (Agence, Fenton, and Galbraith).

Surprisingly, Italian designers and companies have assumed more responsibility in the manufacturing aspects of production as compared to their United States competitors. With the ever-increasing counterfeiting costs, perhaps Italian companies are realizing the intolerability of

this trade. A GACG survey highlighted the effects of counterfeiting in Europe and reports, “. . . more than any other sector . . . counterfeiting is costing European business in general around 50 billion euros every year. Clothing and footwear companies are losing 7500 million euros annually. . .” (ICC). Noting the importance of monitoring distribution and production levels through random factory screenings, Gucci is fashion company determined to dampen the mood of counterfeiting by actively protecting its intellectual property rights.

Outstanding branding, iconic style, and sophistication are elements to describe the character of Gucci products. Ranging from apparel and footwear, accessories to watches, small leather goods and handbags, Gucci does it all. However, Gucci garners the most attention for its work ethic and fashion philosophy. Drawing upon its Florentine heritage, current Gucci designers are invoking the powers of creativity and meticulous attention to detail, to intimidate and discourage counterfeiters. The elaborate designs and intricate workmanship of Gucci’s Summer 2005 collection will not only make it time consuming but nearly impossible for counterfeiters to replicate. The collection featured scales from a crocodile pelt individually hand sewn to layers of chiffon for skirts and scoop-necked crocodile jackets. Another interesting concept explored by the design team was black cocktail dresses accented with tassels and macramé. Plum colored pants with opaque chiffon racing strips and golden eyehooks at the ankle were another runway favorite. Needing resources beyond their means, Gucci can be assured counterfeiters will not be able to interfere with sales—at least for this season (Bita).

Although Gucci still struggles daily with the illegal market of counterfeits, in 1994 Gucci was faced with a serious situation. At the time, Gucci had to “institute a drastic cost-cutting cure . . . the consequences of this plan [was] the loss of some 40 positions in the loss of 40 positions in a sector that has already been heavily hit in the past few months (WWD). The company

confirmed its decision to close its Milan offices was due to the new competitiveness of the market, implicitly the presence of counterfeits.

In 1921, Guccio Gucci entered the marketplace selling quality luggage pieces and priding himself on the craftsmanship of his work. By 1938, Gucci was ready to take on Via Condotti, and the elite competition of Rome. Gucci's global dominance began in 1953 with the opening of its New York boutique. Although, unfortunately Guccio Gucci died before truly experiencing the international success of his brainchild.

With Guccio, the patriarch of the company gone, the fate of the business was left in the capable hands of Aldo, Guccio's son. Aldo further expanded the scope of the company by extending licensing agreements to various business associates. The 1980s were a period of turmoil, transition, and family tension; Aldo was forced out of the company as a new generation took over. However, by 1993 the last of the Gucci lineage had been bought out by Investcorp. The year 1995, marked the initial public offering for Gucci shares on both the New York and Amsterdam Stock Exchange. In 1999, Gucci joined forces with Pinault-Printemps-Redoute to become part of a multi-brand conglomerate. By entering into this strategic alliance, the Gucci family legacy has been preserved without sacrificing the best interest of the Gucci brand (Cornell).

Perhaps more than any other country, the old adage "blood is thicker than water" resonates particularly in Italy's corporate culture. Traditionally, family-owned and operated companies have been the backbone of Italy's global development. From haute-couture fashions to automobile tires, family companies across all industries have driven the Italian economy. According to the Italian Association of Family Businesses, ninety-three percent of Italian companies are family-operated. This statistic includes forty-five percent of the 150 largest

public and private corporations. However, in the United States, less than one-fourth of the top 100 companies are family-run (Hale).

Italians believe their strong family culture provides certain advantages in business. When business decisions are determined by bloodline rather than by the bottom line, the company runs more effectively because everyone has a vested interest or stake in the success of the company; they want to see it do well and are possessive of it because it is a representation of them. In Italy, when done right, the family is used to create a different type of marketability—human and intellectual capital is used to propel their businesses to the forefront of their respective industries.

Then again, “the dynamics of Italian business also make counterfeiting an easy game . . . Italy remains a nation of entrepreneurs, giving counterfeiters a vast potential supply of nimble and imaginative partners in crime” (Tagliabue). Furthermore, there is not an established business of perpetrators, but rather an agency consisting of individual specialists who services can be called upon without prior notice. Each “entrepreneur” has their own, more highly developed, communication and distribution channels to provide logistical support and resources. “There may be three or four people, and each puts in . . . about \$30,000. . .they purchase the raw materials, and contact willing craftsmen . . . pirate manufacturers [are] often ‘not true companies,’ but shifting alliances of investors and manufactures” (Tagliabue). Together these workers establish instantaneous inventory by weaving an intricate web of supply chains and delivery routes.

However, one of the more apparent themes associated with the counterfeiting trade is the Italian Mafia’s growing involvement. The Mafia already has a solid share of the leather goods industry; they provide the funds, manpower and manufacturing facilities (Kennedy). In turn, the profits made from the sale of counterfeits, supplement and support the Mafia’s mainstream

business endeavors such as drug trafficking, gambling, and loan sharking. “The Milianese signora who buys a fake Fendi bag thinks she is just being a bit naughty. In reality she is financing criminal activities . . . (Kennedy). Because of this, counterfeiting poses a potentially even bigger threat to society.

Conclusions:

Above all, consumers’ blasé attitudes stems from the belief that counterfeiting, although illegal, is still an acceptable practice. Part of the reason for is that consumers do not see the impact of their actions directly. Blinded by their desire to look immaculately fashionable without spending a fortune, Italians disregard the “. . . idea of protecting intellectual property . . . people think it is normal business—a cheap way to buy goods and a normal way to work in a country where there is high unemployment. There is no social perception of the gravity of this crime” (Hundley).

Consumers and Italian authorities alike do not view the growing counterfeiting trend as a serious issue or crime. The Italian police concentrate their efforts on higher profile cases or more violent crimes such as murder, robbery, and kidnapping, crimes which the public perceives to cause greater harm and danger to the citizens within society. However, through extortion and drugs, organized crime is infusing capital and expertise into the counterfeiting market. “If we underestimate how this all strengthens the Mafia, if we don’t punish these people more severely, we’re being myopic” (Boudreaux). More precisely, if action is not taken now, counterfeiting will prove to be an even larger headache for society in the future (Boudreaux, Hundley, and Kennedy).

V. Implications

Sometimes consumers are guided less by their conscience and are not stricken with moral guilt when the “victim” is a business perceived to have deep pockets, and therefore can “afford it.” However, counterfeiting and piracy is not a “Robin Hood” type crime in which the wealthy are the only ones affected (Gattinoni, Hundley). Besides tarnishing a branded company’s image and reputation, the damage of counterfeits is reflected in the bottom line. As such, if companies start to run in the red, not only do prices of products rise, but also their employees feel the pinch. In addition to the luxury goods companies losing about twenty to twenty-five percent of their sales revenues to counterfeiters, “[i]t is estimated that in the last 10 years, 100,000 jobs were lost in Europe due to counterfeiting” (Gattinoni). Moreover, because “l’industria del falso” hinders the profitability of individual businesses, the growth and development of the legitimate Italian fashion industry and the overall Italian economy is being impeded. In short, the “Made in Italy” label has lost its luster.

Still the root of the problem lies with consumers. Society is too tolerant of this type of crime and it is the growing consumer demand that drives the supply of counterfeits. Consumers do not realize they would reap the benefits of designers’ success over counterfeits. When consumers stop feeding into the cycle by refusing to purchase fakes, the production of knockoffs will decrease. For designers, this translates into less money being spent on protecting their image and prosecuting counterfeiters. Ideally, because of this, the designers’ prices will come down. It is a win-win situation for consumers and designers alike because if the demand for knockoffs diminishes, the price for the real goods becomes more affordable for consumers.

Furthermore, no market is immune from piracy. By no means is the luxury goods market alone; already, computer software, toys, and the film industry have been plagued with

counterfeits. Unless the anti-counterfeit message is heard, public health and safety of consumers lies in the hands of counterfeiters. While designer knockoffs may only result in financial and reputation disparagement, dodgy airplane parts and counterfeit pharmaceuticals kill. Therefore, it is imperative to enact reforms before counterfeiting escalates.

Consistent laws and provisions must be put into place at both the national and international level to change the current social conditions regarding the counterfeiting environment. Recently, the Executive office for the European Union passed a new anti-counterfeiting plan; the legislation calls for a collaborative effort between the European Union and the World Trade Organization.

“The EU hopes its new policy of naming and shaming offenders. . . [will] implement world trade agreements to fight piracy. ‘We could go to the WTO to start infringement cases,’ . . . Lamy, the EU’s trade commissioner, said. Such trade action could result in sanctions if anti-piracy rules under world trade deals were not enforced” (Brand).

Another part of this act includes improving trademark registration and monitoring programs. If private industry is accompanied by a partnership with the government and receives assistance from individual members of society, their combined efforts look promising in the global fight against piracy and counterfeiting. Although the crime of counterfeiting is most prevalent in the fashion industry, it affects all trade practices. A global war must be launched and the burden of the illegal counterfeiting market must be shared by all sectors.

Works Cited

- “Activities in Italy.” The World Bank In Europe 2004 The World Bank Group. 16 Oct. 2004. <<http://wbln0018.worldbank.org/EURVP/Web.nsf/Pages/Italy-Activities>>.
- Bates, Rob. “Tiffany Sues eBay.” Jewelers Circular Keystone 175.8 (2004): 20. 28 Sept. 2004 <<http://www.proquest.umi.com>>.
- Bitá, Natasha. “Crocodile Rock on the Gucci Catwalk as Ford Fades to Black.” The Australian 29 Oct. 2004:C4. LexisNexis Academic. 30 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- Brand, Constant. “EU Urges Countries to Crackdown on Piracy.” Associated Press 10 Nov. 2004. Yahoo Financial News. 17 Nov. 2004. <http://biz.yahoo.com/ap/041110/eu_piracy1.html>.
- Boudreaux, Richard. “In Italy, It’s Survival of the Fakest; Illegal Counterfeits Yield \$1.5 Billion Annually in Leather Goods Alone.” Los Angeles Times 6 Oct. 2000: 1. 8 Sept. 2004: home ed. <<http://www.proquest.umi.com>>.
- Coleman, Denise Youngblood, ed. “Italy: 2004 Country Review—Economic Overview.” CountryWatch Mar 2003: 38-43. 10 Oct. 2004 <http://ezproxy.philau.edu:2194/cw_topic.asp?vCOUNTRY=84&SECTION=SUB&TOPIC=CLPEO&TYPE=TEXT>.
- Cornell, Elizabeth. “Gucci Group N.V. Fact Sheet & Company History.” Hoovers Online 2004. 27 Nov. 2004. <<http://www.hoovers.com>>.
- Copeland, Libby. “In Italy, a Custom Best Left Behind.” The Washington Post 4 Aug. 2003: C1. 10 Oct. 2004: final ed. <<http://www.proquest.umi.com>>.
- Cunningham, Bill. “On the Street: Vuitton’s Mimics Cash In Again.” The New York Times 2 Mar. 1997: 1. LexisNexis Academic. 28 Nov. 2004: late ed. <<http://web.lexis-nexis.com/>>.
- “Economy.” The World Factbook 5 Oct. 2004. CIA. 16 Oct. 2004 <<http://www.cia.gov/cia/publications/factbook/geos/it.html>>
- Edwards, Jim. “Can You Spot the Fake?” Brandweek 43.39 (2002): 30-31. 28 Sept. 2004 <<http://www.proquest.umi.com>>.
- “Fakes Threaten Fabric of Italian Society.” ICC Commercial Crime Service Dec. 2000. International Chamber of Commerce. 23 Nov. 2004. <http://www.iccwbo.org/ccs/news_archives/2000/fraud_italy.asp>.

- Fenton, Anna Healy. "Chinese Fakes Faze French Connection: An Alliance of 65 Luxury Brands in France Say More Should Be Done to Stem the Growing Threat of Counterfeiters." South China Morning Post 21 Feb. 2004:B14. LexisNexis Academic. 28 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- Flahardy, Cathleen. "Tiffany & Co. Cracks Down on eBay Counterfeits, Kate Spade and Prada Join Fight to Protect Their Brands." Corporate Legal Times 1 Sept. 2004. LexisNexis Academic. 19 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- Galbraith, Robert. "Luxury Goods Battle Wave of Counterfeit Goods." International Herald Tribune 29 Sept. 2001:12. LexisNexis Academic. 23 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- Gattinoni, Piera. "Ferragamo Sounds Off on Trademark Protection." U.S. & Foreign Commercial Service and U.S. Department of State 8 May 2001. 22 Nov. 2004 <<http://strategis.ic.gc.ca/epic/internet/inimir-ri.nsf/ed/gr-74743e.html>>.
- Goodman, Peter S. "In China, A Growing Taste for Chic; But Fakes Also Vex Developing Market." The Washington Post 12 July 2004. 18 Sept. 2004 <<http://www.proquest.umi.com>>.
- "Gucci Workers Strike in Milan and Florence." Women's Wear Daily 167:32 (1994): 24. Business & Company Resource Center. 30 Nov. 2004. <<http://galenetgroup.com/servelet/BCRC>>.
- Hale, Ellen. "Business all in the Famiglia; Italy is Home to a Dynastic Capitalism with Family-Run Companies." USA Today 4 Feb. 2004: B1. 10 Oct. 2004: final ed. <<http://www.proquest.umi.com>>.
- Hundley, Tom. "Purses to Pavarotti, Italy Awash in Forgery." Chicago Tribune 27 Nov. 1999:1. 22 Nov. 2004: final ed. <<http://www.proquest.umi.com>>.
- "IACC Background & Mission Statement." International Anti-Counterfeiting Coalition 2004. 28 Nov. 2004. <<http://www.iacc.org/teampublish/uploads/Background.html>>.
- "Imitating Property is Theft." The Economist. 15 May 2003. 17 Nov. 2004: print ed. <http://www.economist.com/displaystory.cfm?story_id=S%27%29H0%24PQ%5B%22%23%40%23%2C%0A>.
- "Italy and the IMF." Country Info 4 Oct. 2004. International Monetary Fund. 16 Oct. 2004 <<http://www.imf.org/external/country/ita/index.htm>>.
- "Italy's Booming Counterfeit Industry Angers French Designer Labels." Agence France Presse 26 Jun. 2004. LexisNexis Academic. 23 Nov. 2004 <<http://web.lexis-nexis.com/>>.

- “Italy Cracks Down on Internet Piracy.” Associated Press Worldstream 25 May 2004. LexisNexis Academic. 9 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- “Italy First in Europe in Terms of Counterfeiting.” ANSA English Corporate Service 19 Apr. 2004. LexisNexis Academic. 23 Oct. 2004. <<http://web.lexis-nexis.com/>>.
- “Italy’s History “Beginning of a Global Conquest.” Italy’s History 2002. Global Volunteers. 8 Oct 2004 <<http://www.globalvolunteers.org/1main/italy/italyhistory.htm>>.
- “Italy Household Expenditure on Culture Up 2.1 Pct. Y/Y 2003.” ANSA English Corporate Service 21Apr. 2004. LexisNexis Academic. 9 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- Jackson, Lee Anna. “Duped by Designer Doubles.” Black Enterprise 35:2 (2004):188. 28 Sept. 2004. <<http://www.proquest.umi.com>>.
- Kennedy, Frances. “Faking It Becomes The Fashion in Italy.” Times Newspaper Limited 12 Nov. 1995. LexisNexis Academic. 23 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- “Louis Vuitton to Spend Over 15 Million Euro Annually on Brand Protection.” AFX European Focus. 2 Sept. 2004. 19 Oct.2004 <<http://www.proquest.umi.com>>.
- Lynch, Christina. “Navigating the Boot: Italy’s Premier Shoe-Making Regions.” Footwear News 50:17 (1994):12-13. Business & Company Resource Center. 30 Nov. 2004. <<http://galenetgroup.com/servelet/BCRC>>.
- Martinelli, Alberto, Antonio M. Chiesi, and Sonia Stefanizzi. Recent Social Trends in Italy, 1960-1995 Milan: McGill-Queen’s University Press, 1999. 8 Oct. 2004 <<http://www.mqup.mcgill.ca/book.php?bookid=1175>>.
- “Members.” Global Anti-Counterfeiting Group 2004. 28 Nov. 2004. <<http://www.gacg.org/members.php>>.
- “Member Information: Italy and the WTO.” World Trade Organization 30 Jun. 2004. 16 Oct. 2004 <http://www.wto.org/english/thewto_e/countries_e/italy_e.htm>.
- Passariello, Christina. “Luxury Goods Firms Hunt Copycats as Web Market Expands.” Information Bank Abstracts 26 Aug. 2004:D3. LexisNexis Academic. 19 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- “Passport to Italy: Italian Trade Commission Funds New Retail Promotion.” Women’s Wear Daily 27 Sept. 2004: 12-14.
- “Post-War Politics.” Let’s Go Italy 2004 New York: St. Martin’s Press, Inc., 2004. 5 Oct. 2004 <<http://www.letsgo.com/ITA/01-LifeTimes-24>>.

- Rossant, John, and Gail DeGeorge. "After Versace." BusinessWeek 28 Jul. 1997
BusinessWeek Archives. 8 Oct. 2004 <<http://www.businessweek.com/1997/30/b35371.htm>>.
- Rossant, John, and Gail DeGeorge. "Business Enters into Every Aspect of Art, Sex, and Love."
BusinessWeek 28 Jul. 1997 BusinessWeek Archives. 8 Oct. 2004
<<http://www.businessweek.com/1997/30/b35376.htm>>.
- Simonis, Damien, et al. Italy. 6th ed. Oakland: Lonely Planet Publications, 2004. 9 Oct. 2004
<<http://www.lonelyplanet.com/destinations/europe/italy/>>.
- Smith, Russell G. "Internet Piracy." Australian Institute of Criminology Jan. 1997. Australian
Government. 29 Nov. 2004. <<http://www.aic.gov.au/publications/tandi/tandi65.html>>.
- "Snapshot of Business Environment-Italy." Doing Business Explore Economies 2004. The
World Bank Group. 16 Oct. 2004
<<http://rru.worldbank.org/DoingBusiness/ExploreEconomies/BusinessClimateSnapshot.aspx?economyid=96>>.
- Tagliabue, John. "In Italy's Piracy Culture, Black Market is Thriving." The New York Times 3
Jul. 1997: D1. 22 Nov. 2004: late ed. <<http://www.proquest.umi.com>>.
- "Tutti in Gucci." Let's Go Italy 2004 New York: St. Martin's Press, Inc., 2004. 5 Oct. 2004
<<http://www.letsgo.com/ITA/01-LifeTimes-91?PHPSESSID=abf9edb1bc34d225e0d8478416b549d0>>.
- Waldmeir, Patti. "Let the Online Buyer Beware." The Financial Times 28 Jun. 2004:1. 18 Oct.
2004: limited ed. <<http://www.proquest.umi.com>>.
- Wilkinson, Tracy. "Italy's Beautiful Obsession; In a Land Where Even the Plumbers are Chic,
the Quest for Physical Perfection Above All Else is Changing the Way the Nation Eats and
Plays." Los Angeles Times 4 Aug. 2003: A1. 10 Oct. 2004: home ed.
<<http://www.proquest.umi.com>>.
- Wilson, Anne. Personal Interview. 15 Nov. 2004.

Works Cited

- “Activities in Italy.” The World Bank In Europe 2004 The World Bank Group. 16 Oct. 2004. <<http://wbln0018.worldbank.org/EURVP/Web.nsf/Pages/Italy-Activities>>.
- Bates, Rob. “Tiffany Sues eBay.” Jewelers Circular Keystone 175.8 (2004): 20. 28 Sept. 2004 <<http://www.proquest.umi.com>>.
- Bitá, Natasha. “Crocodile Rock on the Gucci Catwalk as Ford Fades to Black.” The Australian 29 Oct. 2004:C4. LexisNexis Academic. 30 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- Brand, Constant. “EU Urges Countries to Crackdown on Piracy.” Associated Press 10 Nov. 2004. Yahoo Financial News. 17 Nov. 2004. <http://biz.yahoo.com/ap/041110/eu_piracy1.html>.
- Boudreaux, Richard. “In Italy, It’s Survival of the Fakest; Illegal Counterfeits Yield \$1.5 Billion Annually in Leather Goods Alone.” Los Angeles Times 6 Oct. 2000: 1. 8 Sept. 2004: home ed. <<http://www.proquest.umi.com>>.
- Coleman, Denise Youngblood, ed. “Italy: 2004 Country Review—Economic Overview.” CountryWatch Mar 2003: 38-43. 10 Oct. 2004 <http://ezproxy.philau.edu:2194/cw_topic.asp?vCOUNTRY=84&SECTION=SUB&TOPIC=CLPEO&TYPE=TEXT>.
- Cornell, Elizabeth. “Gucci Group N.V. Fact Sheet & Company History.” Hoovers Online 2004. 27 Nov. 2004. <<http://www.hoovers.com>>.
- Copeland, Libby. “In Italy, a Custom Best Left Behind.” The Washington Post 4 Aug. 2003: C1. 10 Oct. 2004: final ed. <<http://www.proquest.umi.com>>.
- Cunningham, Bill. “On the Street: Vuitton’s Mimics Cash In Again.” The New York Times 2 Mar. 1997: 1. LexisNexis Academic. 28 Nov. 2004: late ed. <<http://web.lexis-nexis.com/>>.
- “Economy.” The World Factbook 5 Oct. 2004. CIA. 16 Oct. 2004 <<http://www.cia.gov/cia/publications/factbook/geos/it.html>>
- Edwards, Jim. “Can You Spot the Fake?” Brandweek 43.39 (2002): 30-31. 28 Sept. 2004 <<http://www.proquest.umi.com>>.
- “Fakes Threaten Fabric of Italian Society.” ICC Commercial Crime Service Dec. 2000. International Chamber of Commerce. 23 Nov. 2004. <http://www.iccwbo.org/ccs/news_archives/2000/fraud_italy.asp>.

- Fenton, Anna Healy. "Chinese Fakes Faze French Connection: An Alliance of 65 Luxury Brands in France Say More Should Be Done to Stem the Growing Threat of Counterfeiters." South China Morning Post 21 Feb. 2004:B14. LexisNexis Academic. 28 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- Flahardy, Cathleen. "Tiffany & Co. Cracks Down on eBay Counterfeits, Kate Spade and Prada Join Fight to Protect Their Brands." Corporate Legal Times 1 Sept. 2004. LexisNexis Academic. 19 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- Galbraith, Robert. "Luxury Goods Battle Wave of Counterfeit Goods." International Herald Tribune 29 Sept. 2001:12. LexisNexis Academic. 23 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- Gattinoni, Piera. "Ferragamo Sounds Off on Trademark Protection." U.S. & Foreign Commercial Service and U.S. Department of State 8 May 2001. 22 Nov. 2004 <<http://strategis.ic.gc.ca/epic/internet/inimir-ri.nsf/ed/gr-74743e.html>>.
- Goodman, Peter S. "In China, A Growing Taste for Chic; But Fakes Also Vex Developing Market." The Washington Post 12 July 2004. 18 Sept. 2004 <<http://www.proquest.umi.com>>.
- "Gucci Workers Strike in Milan and Florence." Women's Wear Daily 167:32 (1994): 24. Business & Company Resource Center. 30 Nov. 2004. <<http://galenetgroup.com/servelet/BCRC>>.
- Hale, Ellen. "Business all in the Famiglia; Italy is Home to a Dynastic Capitalism with Family-Run Companies." USA Today 4 Feb. 2004: B1. 10 Oct. 2004: final ed. <<http://www.proquest.umi.com>>.
- Hundley, Tom. "Purses to Pavarotti, Italy Awash in Forgery." Chicago Tribune 27 Nov. 1999:1. 22 Nov. 2004: final ed. <<http://www.proquest.umi.com>>.
- "IACC Background & Mission Statement." International Anti-Counterfeiting Coalition 2004. 28 Nov. 2004. <<http://www.iacc.org/teampublish/uploads/Background.html>>.
- "Imitating Property is Theft." The Economist. 15 May 2003. 17 Nov. 2004: print ed. <http://www.economist.com/displaystory.cfm?story_id=S%27%29H0%24PQ%5B%22%23%40%23%2C%0A>.
- "Italy and the IMF." Country Info 4 Oct. 2004. International Monetary Fund. 16 Oct. 2004 <<http://www.imf.org/external/country/ita/index.htm>>.
- "Italy's Booming Counterfeit Industry Angers French Designer Labels." Agence France Presse 26 Jun. 2004. LexisNexis Academic. 23 Nov. 2004 <<http://web.lexis-nexis.com/>>.

- “Italy Cracks Down on Internet Piracy.” Associated Press Worldstream 25 May 2004. LexisNexis Academic. 9 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- “Italy First in Europe in Terms of Counterfeiting.” ANSA English Corporate Service 19 Apr. 2004. LexisNexis Academic. 23 Oct. 2004. <<http://web.lexis-nexis.com/>>.
- “Italy’s History “Beginning of a Global Conquest.” Italy’s History 2002. Global Volunteers. 8 Oct 2004 <<http://www.globalvolunteers.org/1main/italy/italyhistory.htm>>.
- “Italy Household Expenditure on Culture Up 2.1 Pct. Y/Y 2003.” ANSA English Corporate Service 21Apr. 2004. LexisNexis Academic. 9 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- Jackson, Lee Anna. “Duped by Designer Doubles.” Black Enterprise 35:2 (2004):188. 28 Sept. 2004. <<http://www.proquest.umi.com>>.
- Kennedy, Frances. “Faking It Becomes The Fashion in Italy.” Times Newspaper Limited 12 Nov. 1995. LexisNexis Academic. 23 Nov. 2004 <<http://web.lexis-nexis.com/>>.
- “Louis Vuitton to Spend Over 15 Million Euro Annually on Brand Protection.” AFX European Focus. 2 Sept. 2004. 19 Oct.2004 <<http://www.proquest.umi.com>>.
- Lynch, Christina. “Navigating the Boot: Italy’s Premier Shoe-Making Regions.” Footwear News 50:17 (1994):12-13. Business & Company Resource Center. 30 Nov. 2004. <<http://galenetgroup.com/servelet/BCRC>>.
- Martinelli, Alberto, Antonio M. Chiesi, and Sonia Stefanizzi. Recent Social Trends in Italy, 1960-1995 Milan: McGill-Queen’s University Press, 1999. 8 Oct. 2004 <<http://www.mqup.mcgill.ca/book.php?bookid=1175>>.
- “Members.” Global Anti-Counterfeiting Group 2004. 28 Nov. 2004. <<http://www.gacg.org/members.php>>.
- “Member Information: Italy and the WTO.” World Trade Organization 30 Jun. 2004. 16 Oct. 2004 <http://www.wto.org/english/thewto_e/countries_e/italy_e.htm>.
- Passariello, Christina. “Luxury Goods Firms Hunt Copycats as Web Market Expands.” Information Bank Abstracts 26 Aug. 2004:D3. LexisNexis Academic. 19 Oct. 2004 <<http://web.lexis-nexis.com/>>.
- “Passport to Italy: Italian Trade Commission Funds New Retail Promotion.” Women’s Wear Daily 27 Sept. 2004: 12-14.
- “Post-War Politics.” Let’s Go Italy 2004 New York: St. Martin’s Press, Inc., 2004. 5 Oct. 2004 <<http://www.letsgo.com/ITA/01-LifeTimes-24>>.

- Rossant, John, and Gail DeGeorge. "After Versace." BusinessWeek 28 Jul. 1997
BusinessWeek Archives. 8 Oct. 2004 <<http://www.businessweek.com/1997/30/b35371.htm>>.
- Rossant, John, and Gail DeGeorge. "Business Enters into Every Aspect of Art, Sex, and Love."
BusinessWeek 28 Jul. 1997 BusinessWeek Archives. 8 Oct. 2004
<<http://www.businessweek.com/1997/30/b35376.htm>>.
- Simonis, Damien, et al. Italy. 6th ed. Oakland: Lonely Planet Publications, 2004. 9 Oct. 2004
<<http://www.lonelyplanet.com/destinations/europe/italy/>>.
- Smith, Russell G. "Internet Piracy." Australian Institute of Criminology Jan. 1997. Australian
Government. 29 Nov. 2004. <<http://www.aic.gov.au/publications/tandi/tandi65.html>>.
- "Snapshot of Business Environment-Italy." Doing Business Explore Economies 2004. The
World Bank Group. 16 Oct. 2004
<<http://rru.worldbank.org/DoingBusiness/ExploreEconomies/BusinessClimateSnapshot.aspx?economyid=96>>.
- Tagliabue, John. "In Italy's Piracy Culture, Black Market is Thriving." The New York Times 3
Jul. 1997: D1. 22 Nov. 2004: late ed. <<http://www.proquest.umi.com>>.
- "Tutti in Gucci." Let's Go Italy 2004 New York: St. Martin's Press, Inc., 2004. 5 Oct. 2004
<<http://www.letsgo.com/ITA/01-LifeTimes-91?PHPSESSID=abf9edb1bc34d225e0d8478416b549d0>>.
- Waldmeir, Patti. "Let the Online Buyer Beware." The Financial Times 28 Jun. 2004:1. 18 Oct.
2004: limited ed. <<http://www.proquest.umi.com>>.
- Wilkinson, Tracy. "Italy's Beautiful Obsession; In a Land Where Even the Plumbers are Chic,
the Quest for Physical Perfection Above All Else is Changing the Way the Nation Eats and
Plays." Los Angeles Times 4 Aug. 2003: A1. 10 Oct. 2004: home ed.
<<http://www.proquest.umi.com>>.
- Wilson, Anne. Personal Interview. 15 Nov. 2004.