



COUNTERFEIT FOOTWEAR

CONSUMER GUIDELINES



Know the problem to deal with it better

IO SONO ORIGINALE Project



with funding from the **Ministry of Economic Development**
Directorate General for the Fight against Counterfeiting
Italian Patent and Trademark Office



*Ministero
dello Sviluppo Economico*

Produced by the Consumer Associations of **CNCU**



Consiglio Nazionale dei
Consumatori e degli Utenti

With the collaboration of **Assocalzaturifici**



ASSOCALZATURIFICI

Guidelines edited by Codacons

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WHAT IS COUNTERFEITING

The term “counterfeit” means reproduction of goods in such a way that they can be mistaken for the original, or producing, importing, selling or using products or services covered by intellectual property rights. Counterfeiting is a very old phenomenon that affects many sectors. The marketing of counterfeit products affects not only the health and safety of consumers but also the economy of the country since the fraudulent imitation of a product can also cause derailing of trade and unfair competition, and inflicts very serious damage on research development and innovation capacity.

HOW TO PROTECT YOURSELF

The sale of counterfeit goods occurs via various distribution channels, where counterfeiting is not always obvious. It can often be accomplished through markets outside regular distribution, such as stalls or beaches, or via Internet, and finally in shops that are part of regular distribution. These guidelines provide practical advice to guard against the danger of unknowingly buying counterfeit goods.



GOOD RULES

COUNTERFEITING IS NOT ALWAYS OBVIOUS. TO AVOID UNKNOWINGLY BUYING COUNTERFEIT GOODS IT IS IMPORTANT TO FOLLOW SOME SIMPLE RULES:

- avoid buying products that are too cheap; too low a price can be attractive but is indicative of poor quality; it may seem like an opportunity but instead you buy a product that does not last, and will wear out long before the original.
- For purchases always go to **authorized dealers**, which offer clear assurances about the origin of the goods; be wary of products generally marketed through official sales channels that are being sold along roads or on beaches by unlicensed vendors, at stalls or in flea markets, etc.
- Before making purchases of significant value, seek advice from people with greater knowledge of the product.
- Always check the labels on purchased products (the label is their “identity card”), and be wary of those with lowercase or unclear writing, or lacking indications of origin and the “EC mark”; correct labels provide the best knowledge of the product: transparency of the brand, manufacturing process, place of production and characteristics.
- Buy only products in intact packaging and boxing, with the manufacturer’s name, making sure of their origin and of possible labels of quality or certification.
- Be careful of “door-to-door” sales: If you do not receive precise information of the seller’s identity and contact details (phone, address, etc.), the products may be counterfeit.



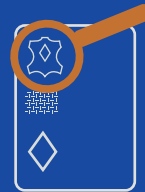
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Pay attention to the
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offered on the Internet or
television programs

- Pay attention to the purchase of products offered on the Internet or television programs, especially if there is no possibility to inspect the goods before purchase and return them upon receipt.

COUNTERFEITING IN THE FOOTWEAR SECTOR

The term “footwear” is used to identify all articles of clothing that protect or cover the foot: from sandals, whose external surface is made simply of adjustable laces or strips, to boots, whose external surface covers the leg, sometimes including the thigh.

Italy sadly occupies first place in the European consumption of counterfeit products, and ranks third in the world for counterfeit production.

Of particular significance, and undergoing a commercial boom, are the counterfeits sold over the Internet. According to the Ministry of Economic Development, with the collaboration of the trade association Assocalzaturifici and Confindustria, from 190 to 240 million euro in shoe sales (source Assocalzaturifici) go up in the smoke of fakes each year.

The IPERICICO, i.e. the Intellectual Property Elaborated Report of the Investigation on Counterfeiting, is a database on the activities carried on to fight counterfeiting in Italy (in terms of the number of items seized and seizures’) developed under the guidance of the Ministry of Economic Development, Business and Internationalization Department, General Directorate for Fighting Counterfeiting – UIBM (Italian Patent and Trademark Office), with the support of a pool of experts from the Finance Police, Customs Agency and, at a later time, of the Criminal Analysis Office of the Ministry of the Interior.

According to data Iperico, in the period 2008–2013 Financial Police and Customs Agency have made about 12 thousand seizures for counterfeiting, for a total of nearly 14.5 million articles seized the estimated value of over 299 million Euros.

REGULATORY REFERENCES

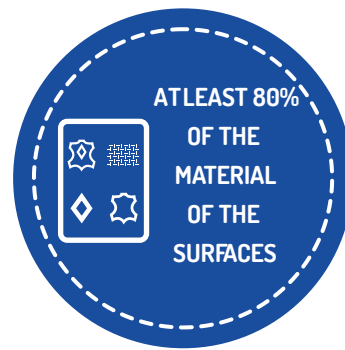
At the regulatory level, a law of fundamental importance is the Development Act of 2009 (“Provisions for the development and internationalization of enterprises and with regard to energy”), which:

- established harsher criminal penalties and envisages the obligatory confiscation of the assets of counterfeiters;
- introduced new aggravating circumstances worsening the position of those who counterfeit systematically and with an organized equipment set-up and business;
- introduced two new types of offense aiming to punish the manufacture and sale of goods produced by usurping patent rights and the counterfeiting of geographical indications or designations of origin of agri-food products;
- cancelled the applicability of the criminal penalty to the knowing end consumer and lowered the amount of the administrative fine imposed (which today ranges from 100.00 to 7,000.00 euro), making it a possible tool for “educating” the consumer by the Police.

Alongside the Italian regulatory and institutional framework, it is necessary to also consider the European one. At the institutional level, a “European Observatory on Counterfeiting and Piracy” was set up in 2009; today it is known as the “European Observatory on Infringements of Intellectual Property Rights”, after EU Regulation no. 386/2012, which redefined its duties and assigned its management to the Office for Harmonization in the Internal Market. At the legislative level, an instrument for promoting respect of and compliance with intellectual property rights, and therefore for fighting counterfeiting, is EC Directive 2004/48/EC, transposed into the Italian legal system with Legislative Decree no. 140 of 16 March 2006.

Ministerial Decree of 11 April 1996 (amended by that of 30 January 2001) transposed EC Directive 94/11/EC, which currently governs the obligation for labeling on footwear:

- Footwear labels may be either printed or attached, and must be visibly present on at least one of the two shoes.
- The label carries the information on the material making up at least 80% of the surface of the upper, covering of the upper, inner sole, and outer sole.
- If no material arrives at that percentage, the label must provide information on the two main components.
- This information must be given using certain specific symbols.



HOW TO READ LABELS

Parts of the shoe and their symbols:



upper: outer surface of the shoe attached to the outer sole



upper lining and insole: lining and insole that make up the inside of the shoe



outer sole: lower surface of the shoe, attached to the upper and in contact with the ground, thus subject to wear-and-tear

Materials used:



hide and leather: indicates hide or leather of an animal properly tanned to prevent rotting



coated leather: product with a layer of coating on the leather not to exceed one-third of total product thickness, but greater than 0.15 cm



textile materials: natural and synthetic or non-woven



other materials

Example of labelling for a shoe made entirely of leather:



DAMAGES CAUSED BY COUNTERFEITING

Counterfeiting today has taken on characteristics and dimensions such that it has become a particularly serious problem; it is pervasive, global in nature, and a field of activity for organized crime; it changes the rules for the functioning of the competitive market, damaging businesses operating legally, and poses dangers for consumer safety and health. Counterfeiting also damages the economic system as a whole, because it deprives the community of jobs and the State of tax revenue.

Among the reasons that should make consumers want to avoid buying counterfeit products are:

Health:

since they do not follow production processes that are controlled and in compliance with the laws, counterfeit products entail health risks for those wearing them because of possible chemical agents, dyes, and glues (allergenic or even carcinogenic) used in their production.

Safety:

very often the counterfeit product uses harmful materials and substances that end up in the atmosphere, both during production and in the disposal of the end product or processing residues and wastes.

Social protection:

counterfeiting weakens the productive and economic fabric of a country, stealing jobs and increasing the exploitation of labor.

Fines:

purchasing fake products entails a fine for the end purchaser ranging from 100 euro to 7,000 euro.

Quality price/ratio:

the quality of a counterfeit product will correspond to the price paid by the consumer in its poor workmanship, the lack of guarantees as to the quality and compliance with the safety regulations and standards in effect, and the absence of references for after-sales service.

Taxes:

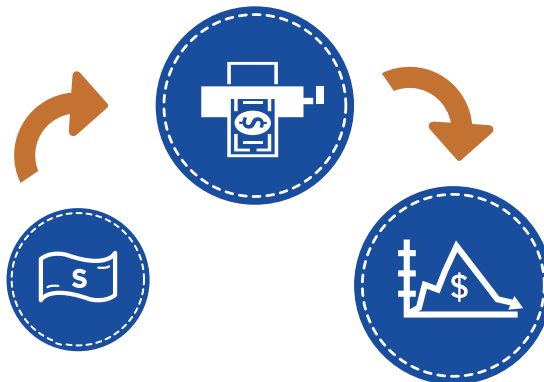
the counterfeit industry damages the State, depriving it of a significant share of receipts because of the decrease in revenue, tax evasion, and social security contribution evasion.

Crime:

counterfeiting and illegal production fuel the underworld and enrich organized crime.

Ethical-social aspect:

counterfeiting is considered 'minor offense', showing a permissive attitude toward those who buy the fake and noting the need to promote more and more a culture of legality.



GUIDELINES

How to avoid counterfeit goods

The fundamental recommendation for consumers is to always check the label. The label on footwear serves to provide reliable information on the nature of the materials used for each part of it (upper, internal lining, sole), and it is thus of fundamental importance for the consumer to know how to read it in order to be able to choose knowingly and wisely.

Some tips for recognizing counterfeit products:

- The label is a sort of ID card for the product.
- The label must be present on at least one of the shoes.
- The label must contain information on the material making up 80% of each part of the shoe. If no material arrives at 80%, the label must provide information on the two main components.
- The information on the materials used and the related shoe parts may be provided either as symbols or in the Italian language.
- The label may be printed, glued, embossed, or applied to an attached tag.
- The label must be visible, firmly applied, and accessible to the consumer.
- The dimensions of the symbols must be sufficient for an easy comprehension of the information on the label.

- The label must not be misleading for the consumer.
- Other supplementary information may also be present, in one of the official languages of the European Community.

WHAT TO DO IN CASE OF COUNTERFEIT GOODS

According to a study by the Piepoli Institute*, when a consumer purchases a counterfeit product, he is aware that the purchase damages the national economy and contributes to fueling organized crime. However, at the same time, he thinks he has made a “bargain”, having purchased an article he wouldn’t have been able to buy at all, had it been genuine.

To be able to effectively fight the online selling of counterfeit products, it would be necessary to reduce the strong visibility of the Internet sites and domains that violate intellectual property rights, block them, and quickly remove the unlawful content, as well as acknowledge the co-responsibility of the providers, intermediaries, and Webmasters.

In conclusion, it is necessary to keep in mind that anyone who produces a counterfeit product commits a criminally important offense. Anyone who purchases a counterfeit product is therefore an accomplice to an offense that places his own and his children’s health at risk, while fueling organized crime.

Responsibility, oversight, and penalties are broken down as follows:

- The manufacturer or its representative with an office in the Community, or anyone who introduces the merchandise into the EC market, must provide the label and is responsible for the correctness of the information on it.
- The retailer verifies the presence of the label and exhibits the sign with its symbols clearly and visibly.

* Presented at the Conference Confcommercio - Italian Fashion Federation on counterfeiting in Naples in 2008

- Oversight is the responsibility of the Ministry of Economic Development, which exercises it through the Chambers of Commerce.
- In the event of noncompliant or missing labels, the watchdog authority sets a deadline for the manufacturer to comply, after which, if it does not do so, the footwear is pulled from the market.

WHOM TO CONTACT TO PROTECT YOURSELF

In the event that the buyer has a reasonable suspicion that he has unknowingly bought a fake product, it can be reported to:

**Directorate General for the Fight against Counterfeiting - I.P.T.O.
Ministry of Economic Development**


→ CALL CENTER

 | +39 06 4705 5800  | +39 06 4705 5750

From Monday to Friday from 9:00 to 17:00

 | contactcenteruibm@mise.gov.it

→ ANTI-COUNTERFEITING HOTLINE

 | +39 06 4705 3800  | +39 06 4705 3539

From Monday to Friday from 9:00 to 17:00

 | anticontraffazione@mise.gov.it

→ INFORMATION CENTRE

From Monday to Friday from 9:30 to 13:30

For afternoon appointments, contact the Call Center

→ For more information **consult the WEB** at the following addresses:

www.mise.gov.it

www.uibm.gov.it

Customs Agencies

→ F.A.L.S.T.A.F.F. PROJECT

Developed and launched since 2004, the FALSTAFF project aims to promote the circulation of original goods, conforming to quality and safety, to ensure free competition in the market. The FALSTAFF project team can be contacted at the following address:

 | dogane.falstaff@agenziadogane.it

Finance Guard

→ S.I.A.C. PROJECT

The Anti-Counterfeiting Information System (SIAC) is co-funded by the European Commission and entrusted by the Ministry of the Interior to the Finance Guard, confirming the central role of the Corps in the specific operating segment.

The initiative is inspired by the knowledge that to deal with an illicit and transversal multi-dimensional phenomenon like counterfeiting a “system” is necessary among all institutional components and actors involved in the fight against the “counterfeit industry”. On this basis, the project was designed as a multifunctional online platform composed of several applications, which perform the following functions:

- information for consumers.
- Cooperation among institutions and, in particular, among Police Forces and between these and Municipal Police forces.

- Collaboration between institutional components and companies.

The website of the Anti-Counterfeiting Information System is overseen by the staff of the Special Market Protection Unit, reporting to the Special Forces Command of the Finance Guard.

You can contact the office of the S.I.A.C. at:

 | +39 08 0588 2221

or at the address:

 | siac@gdf.it