



TRADING STANDARDS SUCCESSES

IP CRIME AND ENFORCEMENT

REPORT 2018/19

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Disclaimer

The findings, facts and opinions in the IP Crime and Enforcement Report are those of the IP Crime Group members and not necessarily the views of the IPO or the Government. The data has not been substantiated by the IPO.

Trading Standards survey results

Introduction

This year's survey of IP crime was completed by 84% of Trading Standards authorities. It covers the period April 2018 – March 2019 and the data it includes provides an invaluable statistical snapshot of the work done by Trading Standards authorities to counteract IP crime. The figures also enable us to understand longer-term trends in the nature of IP crime and the focus of Trading Standards Officers' work. For example, the reduction in the importance of counterfeit DVDs reflects a technological shift. It is possible that, like vinyl, a residual, specialist market in DVDs will remain buoyant and therefore an important vector for counterfeiting, but as a means of accessing a mass market, DVDs are no longer technologically relevant. That is why the percentage of authorities reporting counterfeit DVD crime has halved since 2014-15. This information is a statistical confirmation of the nature of the market for DVDs and the importance of counterfeit crime in this area requires further analysis. It will enable decisions regarding resourcing and anti-counterfeiting strategy to be developed.

On the other hand, the news that reports of the sale of counterfeit alcohol products have dropped by over 30% during the same period should, perhaps, be interpreted in a different way. Here it is possible that the significant fall in the reporting of counterfeit alcohol sales represents the success of campaigns Trading Standards teams instigated at street level and in the press, to counteract the dangers trade in counterfeit alcohol entails.

As well as evidencing the work of Trading Standards Officers and the nature of IP crime, the figures compiled here also offer policymakers and researchers insights into patterns of criminality. These will enable the targeting of more detailed statistical enquiries and the evolution of improved databases in the field of IP crime.

Highlights

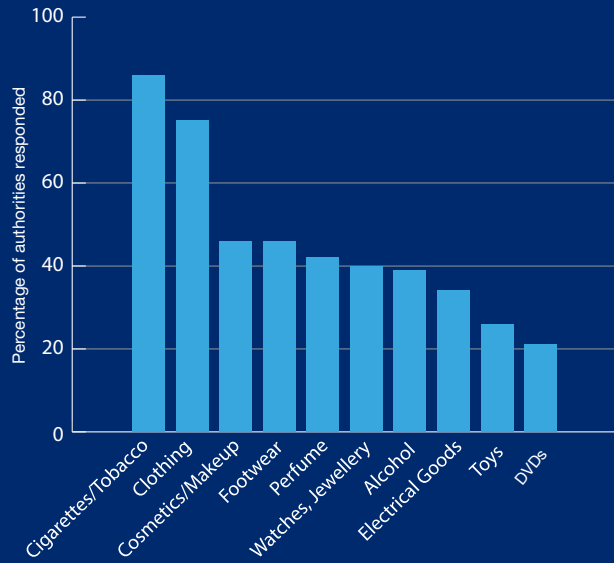
Year-on-year, counterfeiting tobacco products remains the most reported IP crime by UK Trading Standards Officers. The second most reported crime remains trade in counterfeit clothing. In fact, the figure regarding clothing has dropped slightly, whereas reported tobacco-related crimes have increased slightly. Cosmetics and make-up, footwear, perfume, watches and jewellery, alcohol and electrical goods all remain significant areas of Trading Standards Officers' work. Significantly, the number of authorities reporting crime in fake toy products dipped below 30% following last year's peak of 37% of authorities.

In terms of the locations for trade, our statistics when viewed over the last four years, show remarkable stability. There has been a slight increase in the reporting of online crime through websites. Similarly, the use of private residences continues to build - but not beyond the levels reported in 2016. In fact, counterfeit trade through pubs and clubs, on the street, at markets, car boot sales and festivals seems relatively consistent, mirroring the figures for online crime. This relatively stable pattern provides an increasingly robust context for Trading Standards IP crime strategy to be developed and resourced.

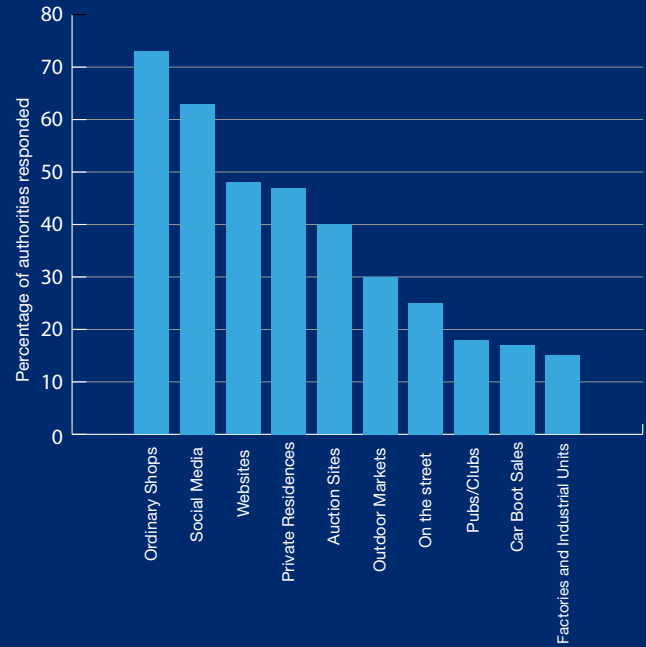
Tangibility

Intellectual property is an intangible asset. Crime against intellectual property is therefore hard to visualise. The statistics we gather here are building an evidence base. This enables further research to be commissioned so that an increasingly accurate picture of the nature of IP crime in the UK is developed.

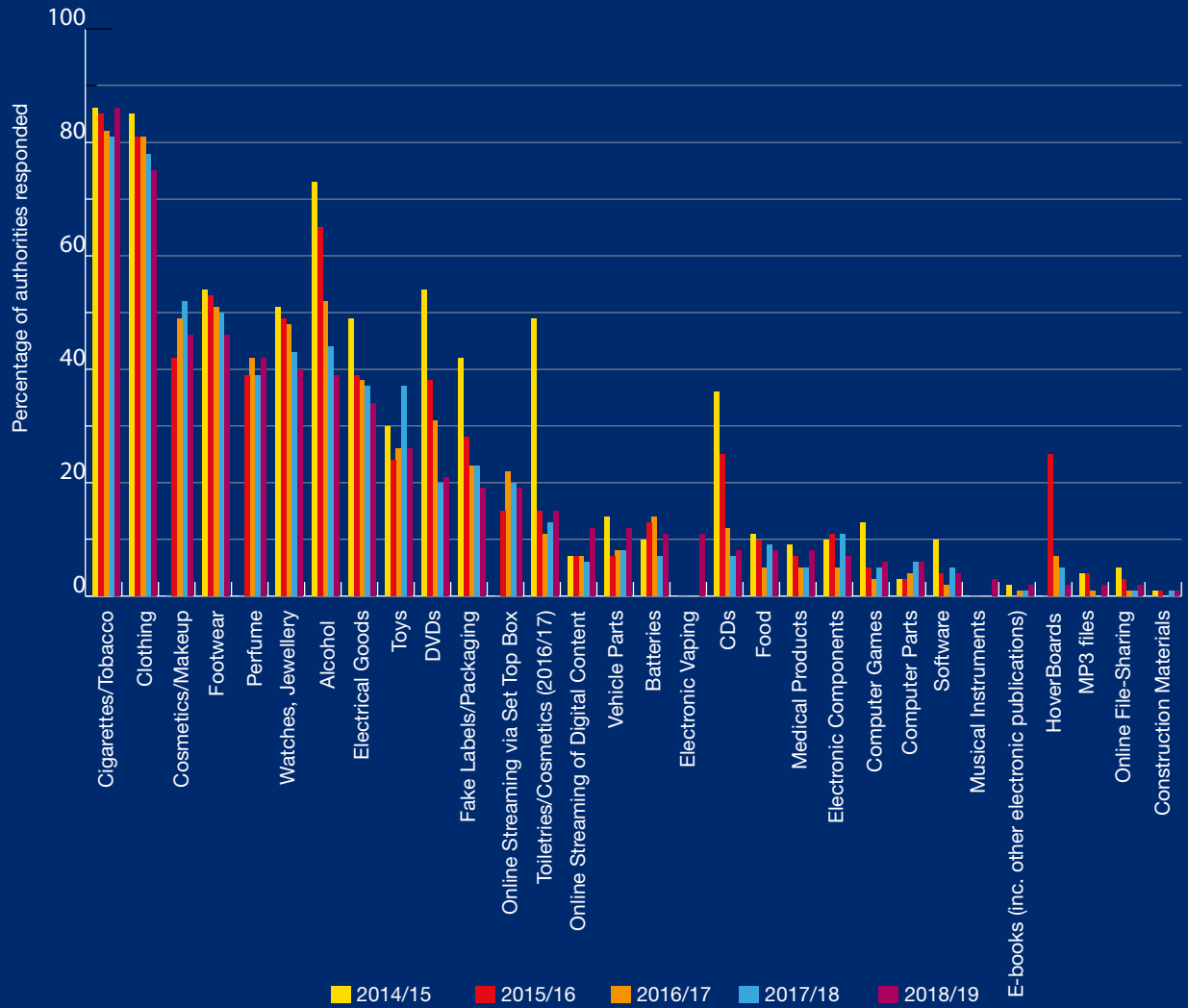
Top ten counterfeit/pirate products investigated by Trading Standards



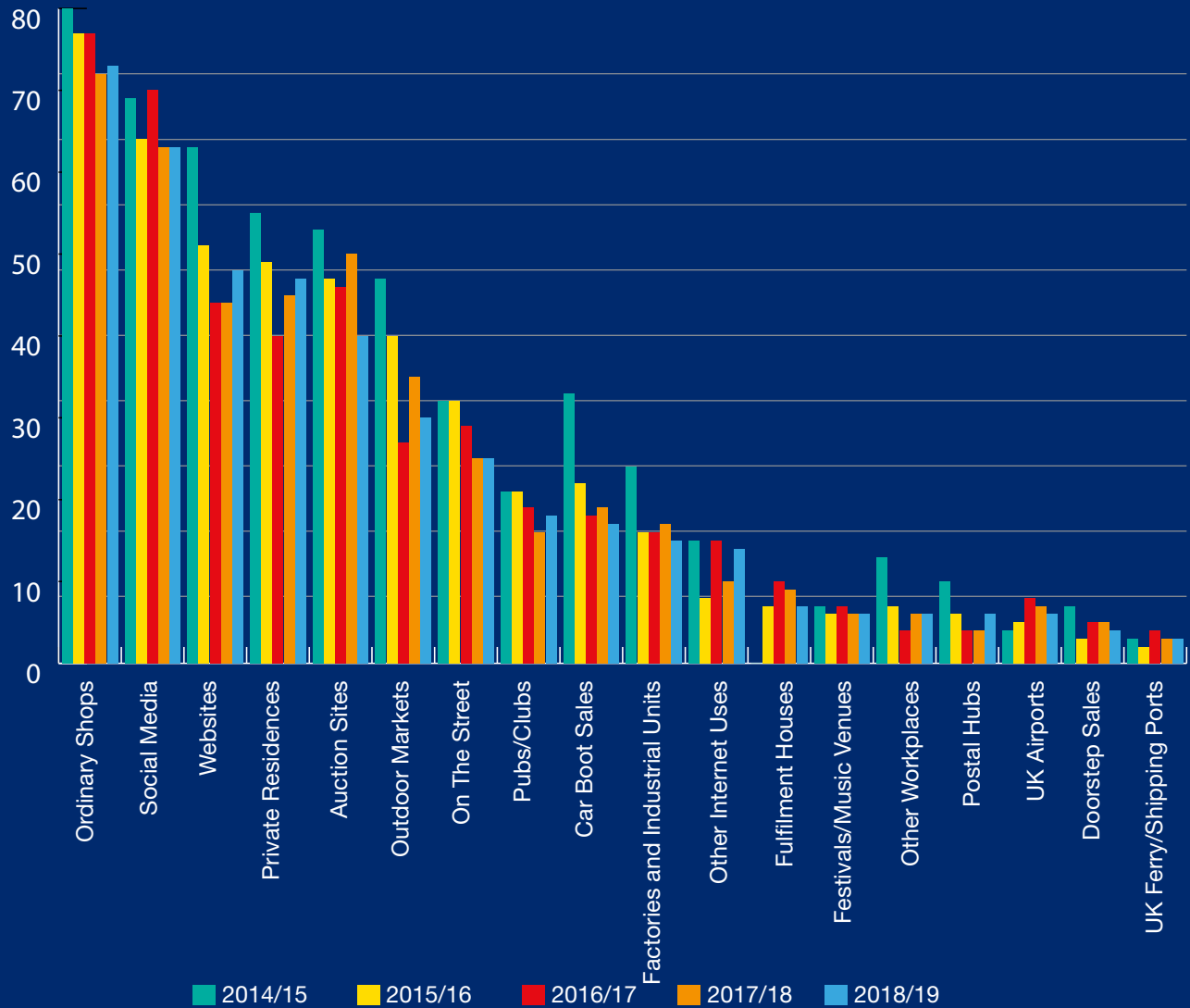
Top ten locations



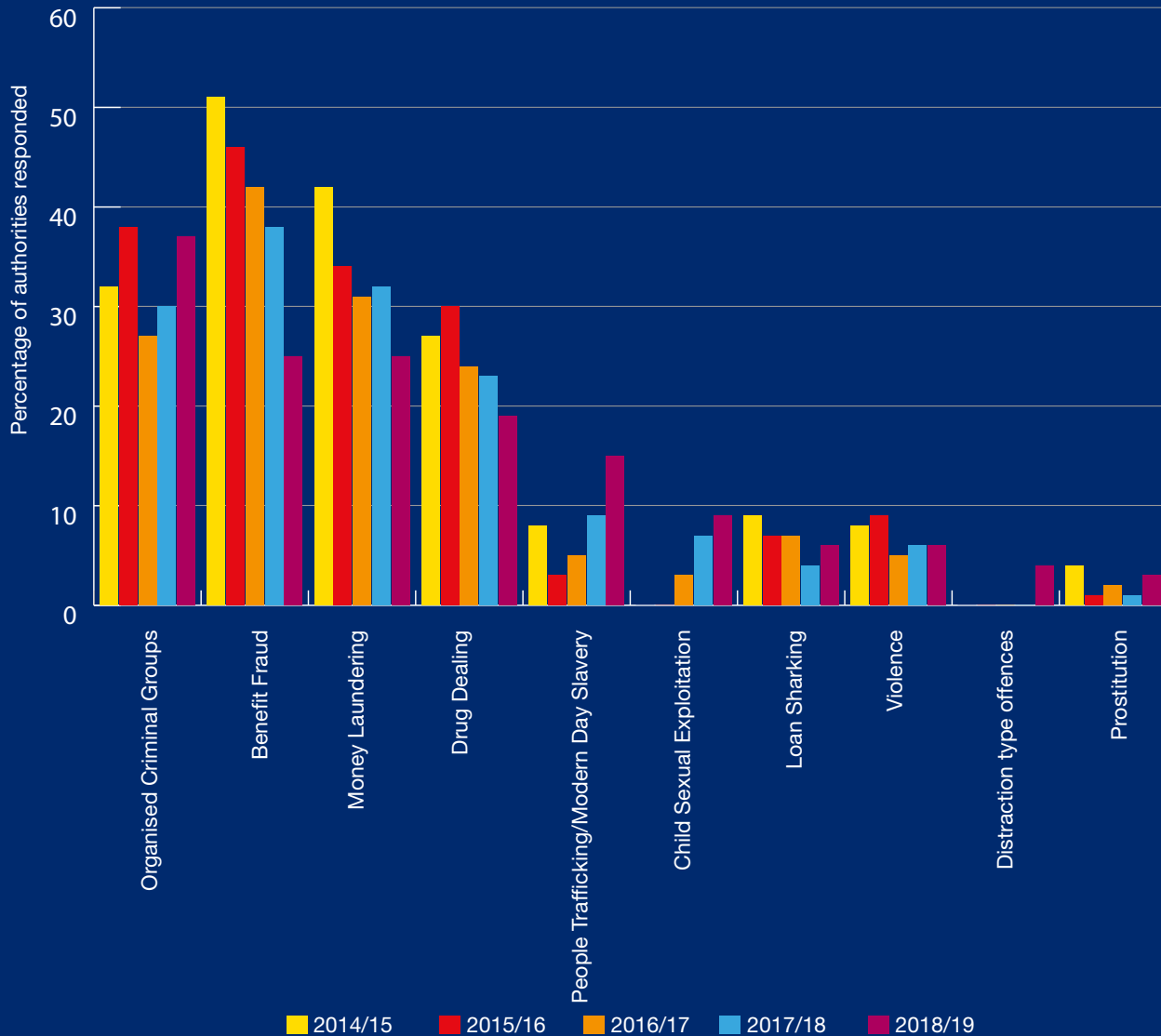
Top products investigated by Trading Standards



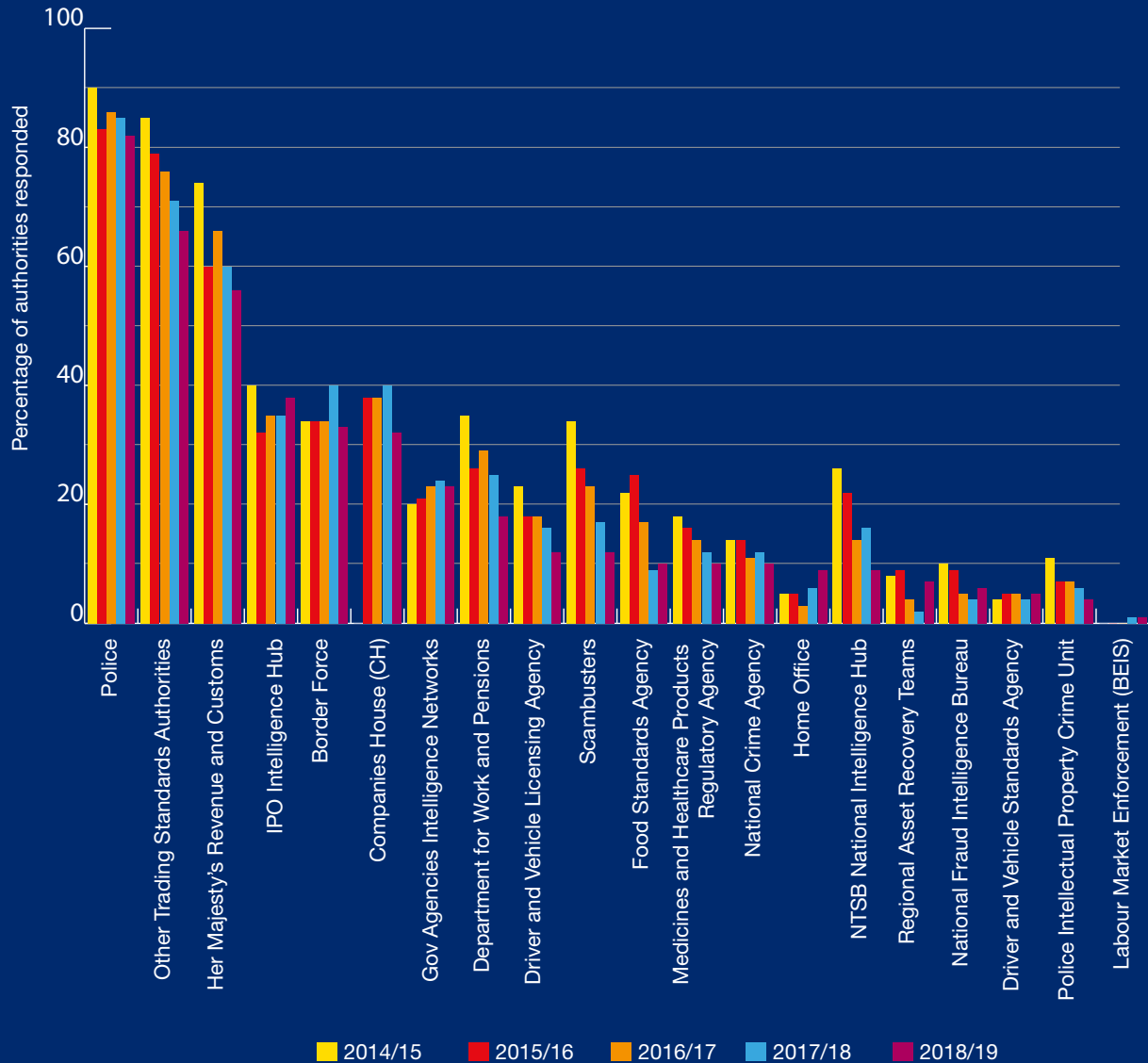
Most investigated locations



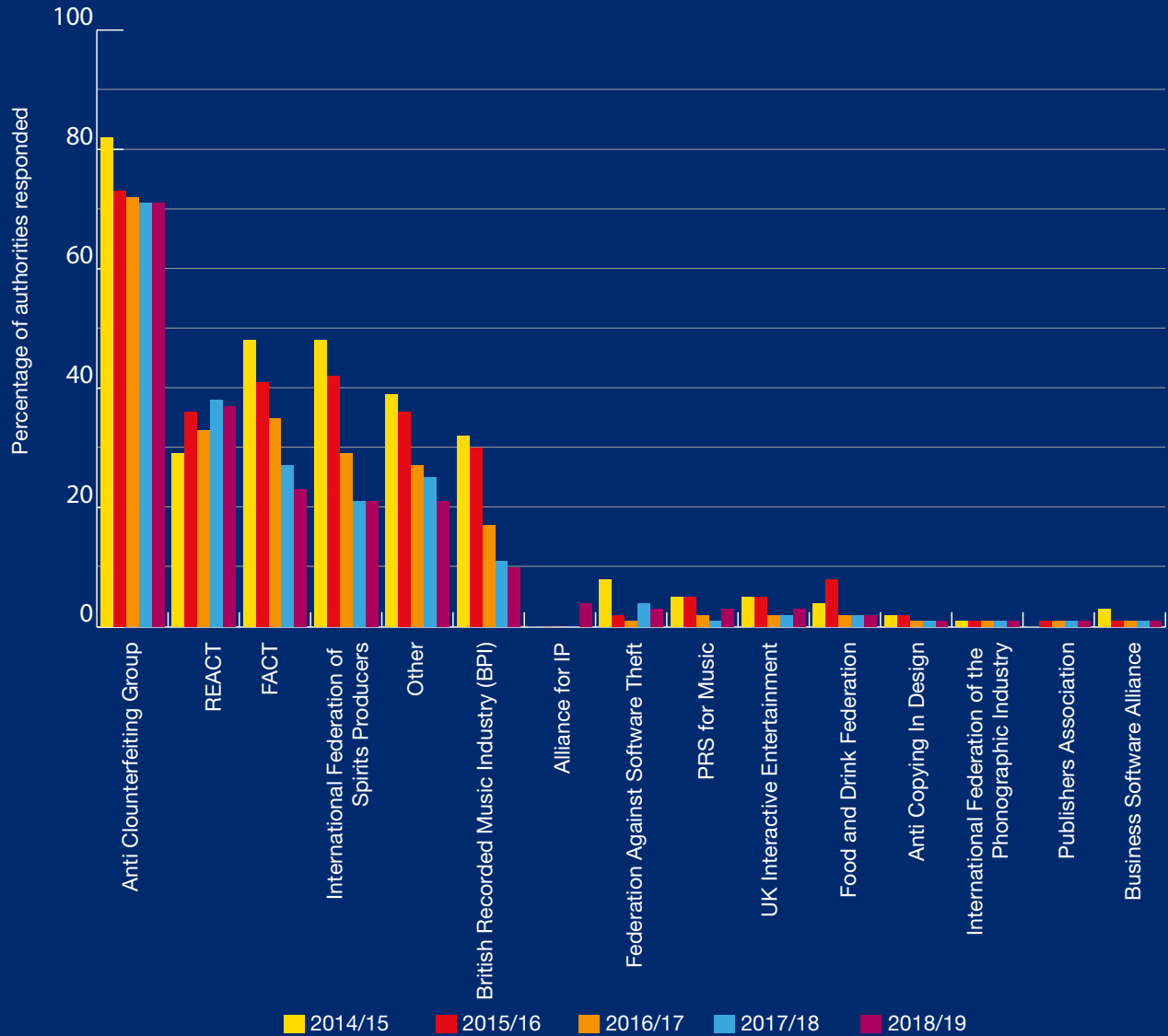
Links to other criminality



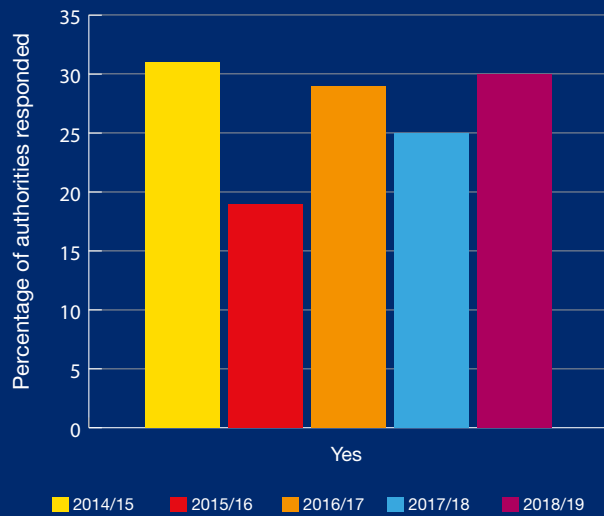
Working with other public sector partners



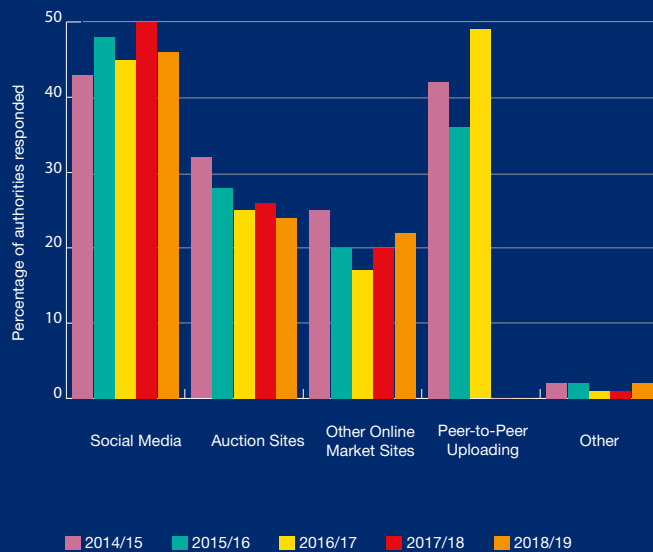
Working with industry bodies



Submissions or enquiries to the IPO Intelligence Hub



Proactive monitoring online



TRADING STANDARDS SUCCESSES

IP Crime and Enforcement Report 2018/19

This report has established itself as an invaluable barometer of IP enforcement action in the UK. The accounts submitted here are influential and authoritative. We contact all Trading Standards authorities and we publish all the evidence we are sent. Over the years more Trading Standards authorities have taken part in this exercise and, according to the reports we've received this year, two positive outcomes are apparent.

Firstly, the diversity of approaches and willingness to share best practice are of great value to professional Trading Standards Officers. For example, in this report Manchester, Hull and Medway Trading Standards all refer to engagement with landlords in the drive to remove traders in illegal goods from the high street. Secondly, the evidence gathered here gives weight to statistical analysis developed elsewhere. Thus, the narratives from Trading Standards Officers confirm that illegal trade in counterfeit tobacco is ubiquitous in the UK, with many Trading Standards teams drawing attention to high-value seizures, significant sentencing and fines under the Proceeds of Crime Act. The illegal tobacco market is driven by high market value of tobacco and the poverty of its consumers, and Trading Standards Officers target their efforts on unscrupulous criminals who are prepared to exploit this relationship.

Within this report, high quality fake products, from cricket bats, golf clubs and fishing line to clothing, auto-parts and footwear have been seized. The motivation for and organisation of these crimes varies, as does their means of apprehension. Tip-offs from reputable

traders and concerned consumers are important sources of information. However, diligent investigation work by Trading Standards Officers, as they follow links from one case to the next, are also represented. For example, Rhondda Cynon-Taff's successful prosecution of Lynne Butler and Sarah Edwards saw the conclusion of investigations that began in 2013. The evidence-building skills, the expertise in clandestine markets and the ability to liaise with police, lawyers and the judicial system, implicit in many of the cases described here cannot be under-estimated. An appreciation of the need to build robust cases that deliver successful prosecutions is clear throughout this report.

As well as receiving more contributions from more Trading Standards authorities we note that many refer to high value seizures and complex cases. West Yorkshire Trading Standards two-year Operation Juniper involved 50,000 pages of evidence and the seizure of counterfeit music merchandising worth £473,000. Manchester Trading Standards point to a successful operation in the Strangeways area which netted goods with a value of £2.5 million.

In almost all of the cases described in this report, collaboration between Trading Standards authorities, and other enforcement groups is highlighted. Indeed, there are many examples of imaginative collaborative ventures beyond immediate colleagues. Cornwall Trading Standards teamed up with FACT and South West Police to successfully prosecute against IPTV in operation Edom. Perhaps the eight regional Trading Standards teams

that took part in South East England's partnership with BWY Canine Limited is the most eye catching. Scamp, a renowned tobacco and drug sniffer dog, netted almost £250,000 worth of counterfeit tobacco and discovered class 'A' drugs and cannabis in an operation targeting self-storage depots. This joined up, inventive and relevant action characterises the pro-active approach successful IP enforcement requires.

The ongoing work of Trading Standards Officers, and enforcement personnel across the board, is at the front end of the fight against IP crime deserve special attention. Faced with challenging budgets and an increasingly active and sophisticated counterfeit goods and services market, it is the deterrent delivered by Trading Standards Officers which, when combined with improved public engagement in IP crime prevention, will eventually win the fight against organised IP crime.

“

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Barking and Dagenham

Turbo-charged

In December 2017 intelligence was received from WRi investigations, that Turborevs Ltd of Barking, was selling counterfeit Phillips headlight bulbs via eBay.

Test purchases had been carried out and the product identified as counterfeit.

On 13 December 2017, Barking and Dagenham Trading Standards visited Turborev Ltd's business premises, assisted by brand protection officers from WRi investigations. The Director was alerted to the fraud and 154 counterfeit Phillips headlight bulbs were seized.

During the visit it was noted by officers there were a large quantity of branded children's ride-on electric cars on the premises.

On 15 February 2018, the Director of the business was interviewed under caution. He stated that he had purchased the bulbs from China but had no invoice paperwork. The company used two accounts on eBay, one named 'turbo_revs' and another that referred to 'Dgroup'. This second account had a turnover of approximately £1.5 million. eBay was contacted and sales from both accounts provided.

On October 2018, the Turborevs website was checked. A significant quantity of ride-on cars were being sold under various motor car brands. Trade mark representatives were contacted to see if the cars breached their trade marks. Information was received from Audi, BMW and Jaguar Land Rover confirming a breach of their IP.

A Companies House search revealed the presence of a second 'Turborevs' premises in Bolton. Bolton Trading Standards was contacted and safety complaints with regards to ride-on cars were identified. As more information was reviewed a coordinated visit involving Barking and Dagenham, Bolton Trading Standards and trade mark representatives from BMW and Jaguar Land Rover was arranged.

On 13 November 2018, these visits took place and in Barking, 104 BMW and 223 Land Rover ride-on cars were identified as counterfeit and seized. At the Bolton premises a further 8 cars were identified as counterfeit and seized.

On 14 February 2019, 5 more cars were tested, using funding provided by the Office for Product Safety and Standards. Reports noted breaches with regards to all 5 tested cars.

It is believed the BMW cars are in breach of design rights and witness statements from rights holders are being awaited.



Bolton Trading Standards was contacted and safety complaints with regards to ride-on cars were identified.”

Brent & Harrow

Fake marksman hit with fine

A Harrow salesman caught hawking tens-of-thousands of fake football sew-on patches, and other merchandise, received a £100,000 fine thanks to Brent & Harrow Trading Standards.

Brent and Harrow Trading Standards uncovered more than 30,000 rip-off items at Kiran Ruda's Stanmore property last year. Among the huge haul were copies of Arsenal, Liverpool and Manchester United merchandise, as well as knock-offs of global mega-brands including Marvel, Hello Kitty and Angry Birds.

Ruda imported the fake patches, bags, watches, hats, wallets and scarves from China and sold them online including through Amazon. He was ordered to pay £89,000, as well as the Council's costs of £16,323.97, at Harrow Crown Court on 17 July following a confiscation hearing under the Proceeds of Crime Act 2002.

Cllr Varsha Parmar, cabinet member for environment said: *'It was game over for Ruda's scam when our officers hunted his operations down. It's great to protect consumers from knock-offs and fakes... It's even better to make sure that crime doesn't pay!*

This is what we do - we'll take on any business or trader operating illegally and irresponsibly. You can help us by reporting dodgy dealers – even when you see them online.'

Kiran Ruda, 39, traded as 'Make it Magical Crafts and Gifts'. Last year he pleaded guilty at Harrow Crown Court to nine counts of selling counterfeit Premier League merchandise and children's goods online. He was fined £5,000 and given an 18-month suspended sentence.



Caerphilly

Hard cheese for fake tobacco

A Treceenydd man has been ordered to pay more than £15,000 for selling fake cigarettes and tobacco.

Michael Morton was caught by undercover Trading Standards Officers from Caerphilly County Borough Council.

On Friday, April 26, Morton was ordered to pay a victim surcharge of £85 and £500 costs to Caerphilly Trading Standards. The court also made a confiscation order under the Proceeds of Crime Act 2002, totalling £15,017.

Morton sold undercover officers a carton of 200 'Richmond' cigarettes for £40, which were proven to be counterfeit.

Trading Standards searched Morton's home in November 2017 and seized 2,480 counterfeit cigarettes and around 10kg of hand rolling tobacco, a small amount of which was fake.

None of the packaging on any of the tobacco or cigarettes was marked properly with health warnings, and no excise duty had been paid on any of the products. Officers also found more than £15,000 in cash at Morton's home.

Morton admitted a number of offences under the Trade Marks Act 1994 at Newport Crown Court in November, including selling and being in possession of fake tobacco products.

He also pleaded guilty for selling and possessing tobacco products not labelled with health warnings, under the Tobacco and Related Products Regulations Act 2016, as well as avoiding paying tax duty on tobacco products under the Customs and Excise Management Act 1979.

Morton was also sentenced to 100 hours of unpaid work.

Cllr Eluned Stenner, Cabinet Member for Environment and Public Protection, said: *'Counterfeit cigarettes are often even more harmful than the legitimate product, as there are no controls governing their production or over their supply to children.'*

'Our Trading Standards team work tirelessly to tackle the sale and supply of counterfeit items, and I'm pleased the court has emphasised the seriousness of this offence in the sentence it has imposed.'



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Cornwall

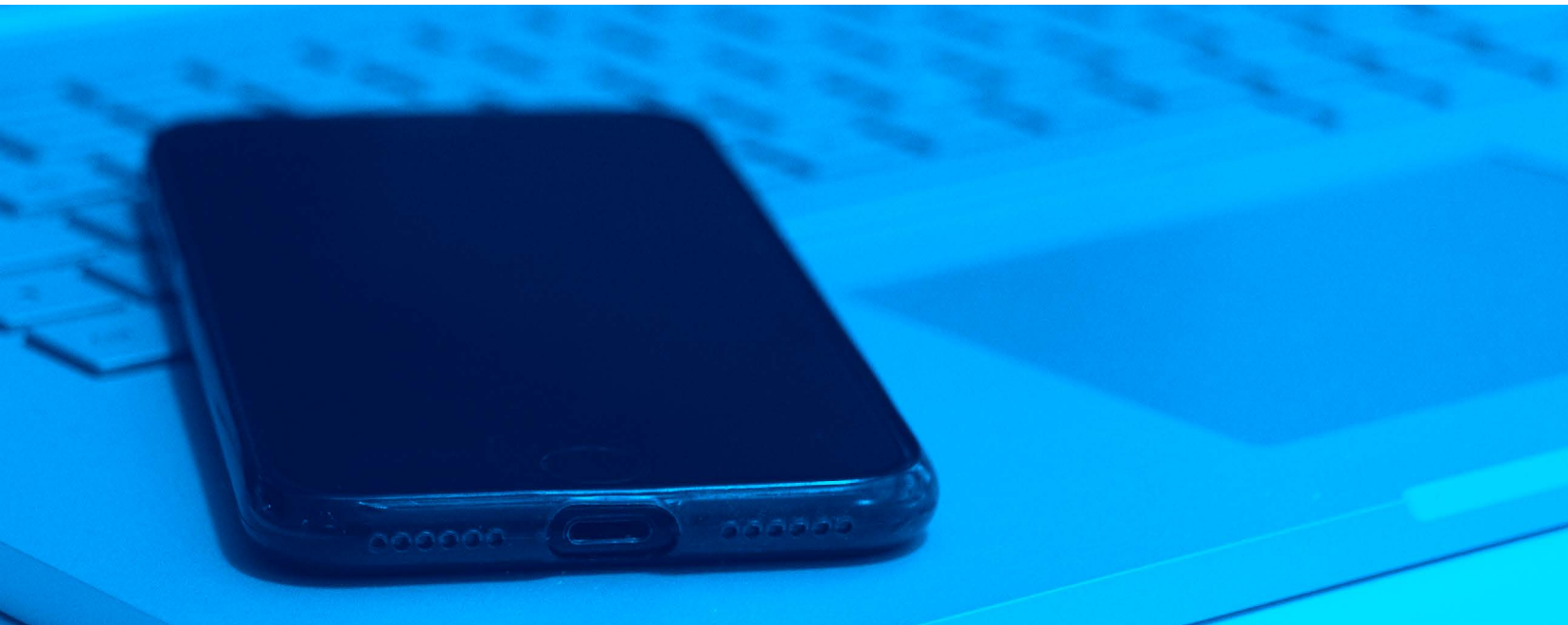
Operation Edom

Cornwall Council Trading Standards received a GAIN referral in March 2018. FACT had researched the activities of an individual who we've named 'Steven'. Since 2016, Steven was linked to a number of Facebook groups providing access to copyright infringing IPTV services. At the time of the referral he was the administrator of one particularly active Facebook group and he proved difficult to track down. After researching three possible addresses, a credit check by a financial investigator for South West Regional Trading Standards Investigation Team led us to his most recent address. The financial investigator found evidence that over £400,000 of unexplained income had passed through Steven's accounts in just two years, despite Steven having been unemployed for most of that time.

In January 2019, working with FACT and police from the South West Regional Organised Crime Unit, a warrant was served at Steven's home and a number of electronic devices were seized, together with several bank cards in various names.

A forensic examination of mobile phones and hard drives showed the extent of the group's activity revealing a complex network of individuals with assigned roles, such as systems support, administration and promotion of sales. At interview, Steven told us that he was living in fear and felt duty bound to keep the service up and running.

At the time of writing, we are awaiting a court date. This investigation shows how GAIN referrals can lead to successful multi-agency investigations.



Denbighshire

Hole in one – golf pro marks his card

On 18 October 2016, Denbighshire County Council Trading Standards received a complaint from solicitors Lewis Silkin LLP of Clifford Inn, London, on behalf of their client, Acushnet Company (USA), owners of the Scotty Cameron and Titleist Golf sports goods brands.

The complaint alleged that a trainee PGA golf professional living in Prestatyn was selling and swapping unauthorised counterfeit items bearing the Scotty Cameron and Titleist registered trade marks. He was using various internet sites and golf clubs through the UK and the Republic of Ireland to facilitate this business.

The brand holder's UK investigators, Millenia Consulting, had made a covert test purchase of three putter grips and one shaft sticker in June 2016. All items received were found to be unauthorised counterfeit copies. In August 2016 they approached the suspect directly and obtained an undertaking from him to refrain from selling such counterfeit product along with a voluntary surrender of the goods in his possession.

Monitoring sales of Scotty Cameron products online indicated that further sales of branded Scotty Cameron putters were taking place in Denbighshire and additional complaints were received from Acushnet's solicitors. A total of eight complaints from consumers and forum moderators were received by the authority from USA, Germany, Scotland, the Republic of Ireland and England.

In January 2017, a warrant was executed at the suspect's home. A substantial amount of Scotty Cameron branded product was recovered, including Tour Edition Scotty

Cameron branded putters in kit form, putter heads, weights, shaft certificates, grips, packaging bar code stickers, hologram security stickers and individual club certificates of authenticity. Along with the counterfeit merchandise, a number of genuine high value putters, putter head covers, limited edition golf bags and certificates of authenticity were recovered. Subsequent forensic examination of the seized computer and mobile telephone revealed a substantial amount of data in the form of skype messaging, text messaging, emails, pdf and other documents (in excess of 15,000 pages of related evidence).

In summary the forensic report content identified:

1. Long term importation and sale of counterfeit gold products, including golf putter grips, head covers and clothing bearing various brands including SuperStroke and Scotty Cameron.
2. Direct correspondence with a Chinese factory, building a relationship and placing orders for high value Scotty Cameron putters by sending out a genuine putter to the contact in China to be copied. Communications also included:
 - exact specification and colours for counterfeit clubs, grips, shaft stickers, shafts etc;
 - exact specifications for Certificates of Authenticity for individual clubs and identifying times taken via the SC website researching said clubs and specs;
 - documentation confirming the export of prototype copies to the UK, along with standards checking and correspondence relating to counterfeits;

- discussion of extending the range of products on sale including limited edition golf bags.
3. Over a 12 month period, different models of SC putters to be copied and arranging shipping from UK to China. Chinese suppliers of genuine SC putters and arranging purchase and collection were listed the contact in the Chinese factory, specifically to avoid import taxes and questions about the products.
 4. Lists identifying sellers of high value collector editions of SC putters and merchandise including putter head covers and golf bags. Correspondence with sellers of such products arranging swaps and sales of the counterfeit clubs etc to USA, Germany, UK, the Republic of Ireland and some potential clients in the Southern hemisphere. Some genuine putters recovered valued in excess of £2,000 each. One collection of head covers valued in excess of £7,500 with one cover alone being valued at in excess of £2,000.
 5. Numerous orders and shipment records directly from the Chinese factory for clubs and other items.
 6. Messaging records identifying and discussing risks and complaints eBay and PayPal accounts.
 7. Using drop addresses instead of the suspect's home address. Utilising his wife's father's PayPal account in Mauritius and their address as a returns address.
 8. Email records dating back to 2012 showing sales and complaints about counterfeit product.

This case is currently at the Crown Court and we have five consumer witnesses from USA, Germany and the UK. The total value of the products seized and sold was around £150,000, with potential for more to be identified internationally. More complainants existed, but due to the international nature of the locations, some were not willing or able to assist in this investigation.

The defendant has already been charged with one count of Fraudulent Trading between December 2012 and January 2017.

Best practice

During this investigation we noted areas where our investigation could have been made more efficient. For example, the computer records we seized were from Apple machines, our PC networked office struggled to deal with differently formatted data.

Similarly, we encountered logistic and communication problems coordinating information gathering and inspection of evidence from different national jurisdictions. The brand holders themselves were based overseas and this caused delays.

Dorset

Dorset car boot sales seizure leads to confiscation order

Dorset County Council Trading Standards (case concluded under Dorset Council) prosecuted and undertook a financial investigation under the Proceeds of Crime Act (POCA) into a trader caught selling counterfeit clothing in large quantities at a car boot sale. The matter was brought to court in February 2018 and concluded in May 2019.

Mr Dildar Singh Bhatti (age 47, of Firgrove Road, Southampton) pleaded guilty to 11 offences under the Trade Marks Act 1994 of possessing counterfeit goods for sale in the course of business. The offending goods included t-shirts; polo shirts; tracksuits, shorts, sandals and training shoes falsely bearing the fake marks of Fred Perry, North Face, Superdry, Puma, Adidas, Hugo Boss, Polo, Moncler, Lacoste, Nike and Stone Island. A financial investigation under POCA meant that the case was sent to Bournemouth Crown Court. Bhatti was later sentenced to undertake 250 hours of unpaid work and given a one month suspended prison sentence and ordered to pay a £30,000 confiscation order under POCA and £10,000 prosecution costs.

Trading Standards had received a consumer complaint that a man was selling counterfeit clothing and footwear at Ashley Heath Car Boot Sale, situated at Three Legged Cross, Dorset. Trading Standards Officers seized a total of 1,768 items which were later confirmed to be counterfeit by the trade mark owners. Had the goods been genuine they would have been worth an estimated £95,000.

In sentencing Bhatti for the Trade Marks Act offences, the judge said 'You knew exactly what you were up to and you should have known better. Legitimate businesses invest time, money and effort to develop their brands and your actions have undermined all of this. He also ordered forfeiture of all 1,768 items seized.

Ivan Hancock, Trading Standards service manager at Dorset Council, said, 'The sale of counterfeit goods can have a seriously detrimental effect on legitimate local businesses selling genuine goods, as well as damaging the business of trade mark owners. We will continue to take enforcement action in cases like these.'



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Fake signatures on football shirts leads to £100,000 confiscation

A POCA confiscation order was made, following the successful prosecution, reported in the previous year, of David William Rennie (Aged 46, of Banbury, Oxford) and Mrs Clare Louise Rennie (Aged 45) in February 2018, by Dorset County. They were convicted of running a fraudulent business, contrary to the Fraud Act 2006, which traded as FA Premier Signings, an on-line football memorabilia business. The business operated from their home in Banbury. It specialised in selling signed football

shirts, balls and boots from some of the world's most famous footballers including Cristiano Ronaldo, Leo Messi, Wayne Rooney and Steven Gerrard. The business also claimed to be able to source squad signed shirts and balls from top football clubs.

In a nine-year period between 2007 and 2016, FA Premier Signings sold over 4,500 pieces of signed football memorabilia, including 1,500 squad signed items. In May 2019 the couple were ordered to pay a confiscation which was finally adjusted to a total of £101,611, with a house sale being required to realise the sum.



Wayne Rooney fake signature

Highland

Highland Trading Standards take action against local counterfeiter using the Enterprise Act (2002) Section 217

Following a Highland Council Trading Standards investigation, in January 2019 the Sheriff Court imposed a court order on a 42-year-old local woman who was discovered selling counterfeit goods. The order placed stringent restrictions on her future conduct and any breach of it can lead to a hefty fine or imprisonment.

After a lengthy investigation into the selling of counterfeit designer goods on Facebook, a warrant was executed on the woman in May 2018. The woman was caught in possession of 188 counterfeit items including handbags, football strips, clothing, and footwear, sunglasses, aftershave and perfume. The brand names attributed to the counterfeit items included Chanel, Louis Vuitton, Michael Kors, UGG, Chanel, Nike, Adidas, Gucci, North Face, Superdry, Calvin Klein, Fila, Skecher, Tommy Hilfiger, Ellesse, Dolce & Gabbana, Rayban, Liverpool FC, Moncler and Vans.

The total estimated high street value of the seizure was over £30,000.



Part of the counterfeit haul seized by Highland Trading Standards

During the investigation by Highland Trading Standards the woman was found to be trading through social media. After a joint operation with Border Force, she was arrested at Edinburgh Airport on 24 October 2018 and over 100 counterfeit items were seized, with a High Street value of over £16,000.

An enforcement order under section 217 of the Enterprise Act 2002 was granted. This order prohibits an individual from selling, or having in her possession, counterfeit goods. Further measures specific to this case were granted by the court. For example, the counterfeiter is required to notify Highland Council Trading Standards if she is planning to fly to Turkey where she originally purchased the counterfeit goods. She is also required to advise Trading Standards what social media or online classified selling accounts she owns, operates or posts content upon. These were the channels she used to sell the fake items.

David MacKenzie, Highland Council's Trading Standards Manager, said: *'This type of crime undermines legitimate Highland businesses, deceives consumers and damages the interests of those who own the intellectual property rights of the trade marks which have been copied.'*

The public need to show their support by not buying this from illegal trade which is ultimately controlled at production level by serious criminals who fund terrorism, trafficking and slavery. Those who choose to supply fakes in the Highlands will be investigated and strongly dealt with.'

The woman will be monitored for five years in which time if she breaches the conditions of the Enforcement Order she will be in contempt of court which would enable further proceedings to be taken against her. If a breach of the Enforcement Order is found - this could result in a heavy fine or a prison sentence.

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Hull

Yuletide Gear

A stall selling retro games consoles was raided in Hull Trading Standards' pre-Christmas crack down on counterfeit goods.

The vendor, based in St Stephen's Shopping Centre, offered retro games consoles at affordable prices but police were forced to step in after concerns were raised about the legitimacy of the items being sold.

Officers from Humberside Police, supported by Hull City Councils Trading Standards team, closed the stall down and confiscated a large quantity of counterfeit gaming consoles. The raid was part of annual Operation Yuletide, which targets all forms of crime that spike during the Christmas period, from drink-driving to counterfeiting.



Counterfeit 'retro' consoles seized by Hull Trading Standards

The last laugh

For the second time in 18 months the Euro Market in Beverley Road, Hull, was caught trading in counterfeit cigarettes.

Speaking in support of an application to review the shop's licence to sell alcohol, Police Solicitor Olivia Bennyworth described how a member of staff started laughing when officials found a stash of 2,000 counterfeit cigarettes and tobacco wrapped in a bag placed inside an air conditioning unit at the property.

She said: 'He told the officers: 'What can I do?' and continued to laugh and be jovial.' The secret stash was the second to be uncovered at the Euro Market convenience store in Beverley Road, north Hull.

The first seizure of another batch of 2,000 illicit cigarettes and one kilo of smuggled tobacco concealed under a window ledge led to store owner Abdul Karim being prosecuted and fined £1,400.

This second discovery of illegal goods at the store has prompted city councillors to revoke its premises licence. It means the store will no longer be allowed to sell tobacco or alcohol. The sanction is the latest in a series of crackdowns on illicit tobacco sales in stores across Hull.

Police Solicitor Bennyworth said Mr Karim had failed to learn any lessons after his prosecution in 2017 when he pleaded guilty.

Mr Karim said while the seizures related to tobacco, he had followed licensing rules on selling alcohol.

'If I lose my licence, I lose my shop,' he said.

However, councillors voted unanimously to revoke the licence on the grounds that Mr Karim's activities had contributed to crime and disorder and were undermining public safety.

“

She said: 'He told the officers: 'What can I do?' and continued to laugh and be jovial.' The secret stash was the second to be uncovered at the Euro Market convenience store in Beverley Road, north Hull.'”

Isle Of Wight

Copyright case leads to custodial sentence

The owner of a website which listed hundreds of fake DVDs for sale, including football, darts and snooker matches, has been jailed by a crown court judge.

The sentencing followed an in-depth investigation by Isle of Wight Council Trading Standards Officers who uncovered the scale of Darren Hawken's online enterprise.

The Isle of Wight Crown Court heard that Hawken had made more than £100,000 over a ten-year period, selling home-made DVDs of sporting matches he simply recorded off broadcasters including Sky Sports, BT Sport, UEFA, Eurosport, ESPN, ITC and the BBC. He sold the copyright material through PayPal accounts to customers all over the world.

Hawken, 49, of Oaklyn Gardens, Shanklin, pleaded guilty to four counts of making copyright articles for sale without a licence and was jailed for 18 months. Hawken first came to the attention of Trading Standards when officers received an anonymous tip-off, alleging a large scale illegal counterfeit sport and music operation, selling sport DVDs and music CDs from a website originating from an address in Shanklin.

The complainant stated that every time a new broadcast was shown on TV, it was recorded and added to the website, and advertised for sale. It was also alleged that the illegal business had been operating for the past 15 years and that they had purchased two of the DVDs listed.

When the DVDs arrived, the complainant was surprised to see they were home-made using plain 'TDK DVD-R' discs.

Trading Standards launched a full investigation in which Hawken's PayPal accounts were examined.

They revealed more than 3,000 transactions between January 2008 and February 2017, amounting to well over £100,000.

A subsequent raid on Hawken's home resulted in the seizure of 4,700 DVDs along with numerous music CDs, samples of which were sent to broadcasters for examination.

Speaking after the hearing, Amanda Gregory, strategic manager for regulatory and community safety services, said: *'This court case is testament to the successful work of the council's Trading Standards service and its partners, who carried out a thorough investigation to gather key evidence against Mr Hawken. As the sentencing judge commented, these were very serious offences, committed over a long period of time and involved substantial sums of money in excess of £100,000.'*

Immediate custodial sentences are rare in Trading Standards cases but go to show how serious some of these crimes are seen. This successful prosecution sends out the message that the council will not tolerate the sale of illegal goods to the public.'

UEFA said: *'UEFA takes the protection of its intellectual property extremely seriously. Theft of the copyright in the footage of its matches takes revenue out of the sport, and has a detrimental impact across all levels of the game, from the grassroots upwards.'*

UEFA therefore welcomes and endorses the actions taken by Trading Standards in this case, as well as the strong deterrent message handed down by the court in the Isle of Wight.'

Lancashire

Highlights

Flaw in the hole

A complicated counterfeit and illicit tobacco case, involving the service of a number of warrants on retail and home premises in Burnley, Lancashire, resulted in four convictions at Burnley Crown Court in March 2019. Large hauls of tobacco were seized from hiding places under the stairs and in a cellar under a trapdoor. Three members of the same family (father, mother and son) received suspended jail terms of 15, 4 and 12 months respectively, with 120, 150 and 200 hours of unpaid work also handed down to the trio. All three had confiscation orders made against them (the father's totalled £47,035, the mother's £61,062 (with £36,000 shared), and the son's £17,580, making a total of £89,687 confiscation awarded) removing the proceeds of their crimes from them, with jail terms in default for non-payment. The limited company the family had set up to distance themselves from the offences was also convicted. Evidence of counterfeiting and illegal tobacco trading and complicity in that trade was obtained from text messages on seized phones. The conviction included a range of offences covering the use of fake trade marks, counterfeit tobacco labelling, money laundering and aiding and abetting. Over £7,000 costs were also awarded to Lancashire Trading Standards Service.



Trapdoor concealing illegal tobacco – Lancashire TS

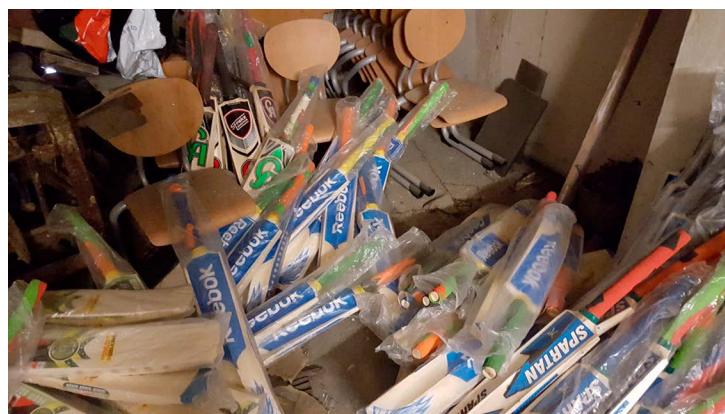
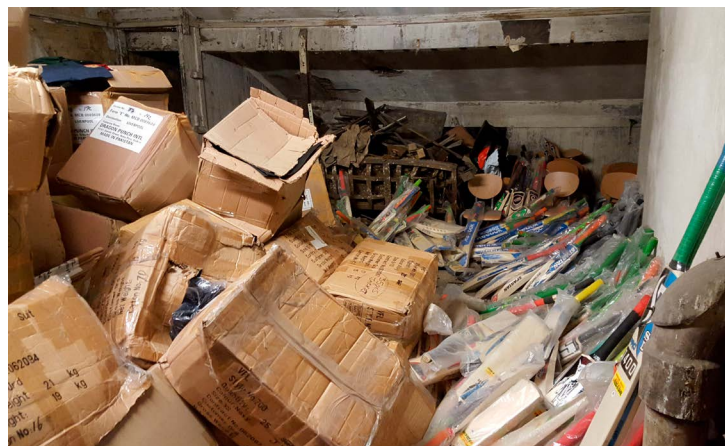


Counterfeit tobacco seized by Lancashire Trading Standards

Payback time

Following a number of test purchases and three seizures totalling over 8,500 items, a prolific trader in counterfeit goods from the town of Nelson was sentenced to a community order of 100 hours unpaid work at Burnley Crown Court in May 2018, with a confiscation order to deprive him of his proceeds from these crimes. A wide variety of goods were seized. These included fake Regal cigarettes, Star Wars badges, Puma cricket bats, Berghaus hats, BMW key fobs, seatbelt accessories and Liverpool FC cigarette lighters. In total, fifty offences were recorded, with offence dates ranging from December 2015 to October 2016. The investigation was complicated by the involvement of a chain of dissolved limited companies, ownership links to other counties, and the main trader's initial refusal to accept liability for one of the shops.

The successful resolution of this case was the result of a detailed investigation and careful legal preparation, closing off opportunities for the defendant to escape prosecution by exploiting technical deficiencies in the presentation of evidence. The Crown Court also ordered the trader to pay back £40,000 of his proceeds of crime by the end of June 2019, with a default jail sentence for non-payment.



Counterfeit goods seized during operation at Nelson by Lancashire Trading Standards

Proceeds of Crime

A Blackburn man convicted of selling counterfeit and illicit tobacco from a network of shops in East Lancashire, who was convicted and jailed for these offences in 2017, had a further penalty when his Proceeds of Crime Act confiscation order of £8,090 was finalised at Burnley Crown Court in late 2018, with a default jail sentence for non-payment.

Wheel-trim racket

After receiving intelligence which led to a test purchase of a counterfeit wheel cap from an online trader, a warrant was served and 857 caps bearing Audi, Jaguar, BMW, Ford, Porsche and Landrover trade marks were seized from a house in Haslingden. The trader was sentenced to a community order with 200 hours unpaid work requirement at Burnley Crown Court in January 2019. He was also handed a three-month curfew from 8 pm to 8 am. Confiscation proceedings are ongoing.

Car-brand counterfeits

Following intelligence relating to counterfeit car badges and stickers, and an investigation into two eBay sites, an Amazon trader and a website, all of which were found to be linked, warrants were served on a number of addresses in the St Anne's area in December 2018. These included a two-storey storage unit on an industrial estate. Over 30,000 items bearing counterfeit car badges and logos were seized. Jaguar, Land Rover, Audi, Volkswagen, BMW and Mercedes were amongst the brands whose trade marks were being counterfeited. The trader has been interviewed and proceedings are ongoing.



Counterfeit car branding seized during operation at St Anne's by Lancashire Trading Standards

Manchester

Multi-million-pound Strangeways counterfeiting shops closed down

A group of shops in the Strangeways area which were being used to sell counterfeit goods have been shut down by Manchester City Council Officers.

The council obtained a Premises Closure Order to put an end to ongoing anti-social and criminal behaviour associated with the shops, at 1-7 Harris Street. Officers have secured the premises and access is now prohibited. The defendant in the case, Dharminder Singh Kasbia, was also ordered to pay legal costs of £11,197.

The order follows a raid conducted on 11 September 2018 by the council's Trading Standards team, in partnership with Greater Manchester Police, Immigration Enforcement officers, the council's Anti-Social Behaviour team and representatives from the Anti-Counterfeiting Group. Four properties, consisting of eight rooms in total, were found to contain large quantities of counterfeit goods during the operation.

Conservative estimates of the value of the goods seized are in the region of £2.5 million (retail value), or £500,000 (street value). In addition to fake handbags, jewellery, trainers, sunglasses, scarves, belts, headphones and watches, officers also found 5,000 prescription drug tablets in a bag, plus items which were seized as weapons, including a lump hammer, claw hammer and a modified pair of scissors.

Shopkeepers were alerted to officers arriving to conduct the raid by 'spotters' and they fled, before locking their shops. As a result, four members of the public were trapped inside the premises and had to be freed by officers from GMP, who smashed through a heavily fortified gate at the side of the premises. The innocent members of the public told officers that they were left shaken by the experience.

This is the first time that a Premises Closure Order has been used to close premises selling counterfeit goods in Manchester. The order was brought due to the illegal activity, disorder and nuisance associated with the premises. The order was granted in Manchester and Salford Magistrates' Court on 8 October 2018 and remained in place until 7 January 2019. Anyone entering the premises during the three-month order can be arrested. The initial period can be extended for a further three months, if the council and courts are not satisfied that the premises will no longer be associated with crime and disorder.

Kasbia, 51, of Bury Old Road, Salford had previously been warned to prevent his premises from being used to sell counterfeit goods, but disregarded these warnings.

Since this closure order, a number of further letters have been sent to landlords in the area where their premises are being used to sell counterfeit goods. Landlords are now beginning to engage with the City Council and a number of premises have been cleared of counterfeit goods without the need to apply for further closure orders.

Derby Street

The Derby Street area of Manchester is largely occupied by wholesalers of handbags, bags and purses. Traders in the area have been advised about their obligations with regards to intellectual property. A number of the traders have also received cease and desist letters from a brand representative in relation to registered designs. Follow up visits were carried out and seizures of counterfeit items were made from several traders. Prosecution reports have been submitted for three traders and another three are under investigation.

Counterfeit Jewellery and Poppies

Two seizures of counterfeit jewellery were made from wholesalers the Strangeways area. Brands seized included Cartier, Chanel, Hello Kitty and Michael Kors. Both traders also had poppy items which infringed the trade mark of the Royal British Legion seized. Reports have been submitted on these two traders.



Kasbia, 51, of Bury Old Road, Salford had previously been warned to prevent his premises from being used to sell counterfeit goods, but disregarded these warnings.”

Prosecution - Himalaya Fashion Enterprises Ltd

Jewellery purporting to be from prestigious brands such as Chanel, Vivienne Westwood and Dior were among more than 280 counterfeit items seized by Manchester City Council’s Trading Standards from a single retailer, Himalaya Fashion Enterprises Ltd.

Himalaya Fashion Enterprises Ltd, and company director Mohamad Hakimi, were also fined almost £7,000 when both parties were sentenced for trade mark and safety offences at Manchester and Salford Magistrates Court on Friday 4 May 2018.

Trading Standards Officers first visited Himalaya Fashion at 47 Sherborne Street, in the Strangeways area of Manchester, on 1 March 2017. The visit followed a referral from another local authority regarding unsafe jewellery.

During the visit 284 items of jewellery were seized as they were suspected of being counterfeit. Samples were sent to the relevant trade mark representatives and it was confirmed they were fakes – it is estimated that if the goods had been genuine they would have been worth more than £55,000.

Following a second referral, from a different local authority, Trading Standards Officers carried out another visit to the premises on 25 May 2017. During this visit 2,136 fidget spinners were removed as they were incorrectly labelled. Further testing revealed the fidget spinners did not meet the requirements of the Toy (Safety) Regulations 2011. A quantity of the fidget spinners failed as the button-cell battery was accessible without the use of

a tool, posing a serious risk to a child should they ingest the battery. Aside from the danger of choking, the batteries can do serious damage to the gastrointestinal system. When combined with saliva, the electrical current from the battery produces caustic soda that burns through the throat or stomach and can cause further damage to other internal organs.

The case was heard at Manchester and Salford Magistrates Court on 12 April 2018, where the company and the director pleaded guilty to all offences. It was adjourned until 4 May 2018 where Himalaya Fashions Enterprise Ltd was fined £3,000 and ordered to pay costs of £2,433 with a victim surcharge of £300.

Company director Mohamad Hakimi was ordered to undertake 150 hours of unpaid work and to pay costs of £1,000 with a surcharge of £85.

Best Trade Manchester Limited

Over 2,500 counterfeit items including Chanel, Louis Vuitton, Armani and the Premier League were seized, along with a number of unsafe toys. The business was prosecuted and received a fine of £360 for the counterfeit items and £340 for the unsafe toys.



During this visit 2,136 fidget spinners were removed as they were incorrectly labelled. Further testing revealed the fidget spinners did not meet the requirements of the Toy (Safety) Regulations 2011.”



Medway

Landlords cooperate in eviction of counterfeit retailers

When Medway Council's Trading Standards team realised that criminals' business model for selling illicit tobacco had changed, they knew they had to approach the problem in a new way. Instead of tackling the retailers who weren't deterred by the usual measures Trading Standards employ, Medway Council's Trading Standards team took on the letting agents and landlords who owned the retail units.

Illicit tobacco sales in the Medway area used to be relatively rare. Because the risks of prosecution, reputational damage and the potential loss of an alcohol licence were enough to any retailers contemplating breaking the law think again. A few years ago, however, the illicit tobacco market changed dramatically, as potential profits soared, and the council found itself facing a very different challenge.

Changing the illicit tobacco retailing game

Trading Standards became aware that small shops were opening that looked like grocers and newsagents, but were in fact retail outlets for illicit tobacco products. To avoid drawing the attention of the police and council, these retailers didn't apply for alcohol licences. They concealed their illicit tobacco stock with a high degree of sophistication, including counters with secret shelves, and stock hidden in food packets and boxes.

Enforcement action by Trading Standards at one of these counterfeit retailers resulted in a conditional discharge and a fine of £250, not enough to close down the operation. What's more, the shop's estimated weekly profits of £20,000 made it viable business model, and soon four more shops had sprung up.

A long-established newsagent near one of the shops told Trading Standards Officers: 'They are absolutely crippling me, my takings are down 40%. I can't compete, I'm selling cigarettes for £8.50 and they are doing them for £3.50.' Trading Standards realised that our usual tactics of seizing the illegal products and taking court action wouldn't put an end to the problem. If left unchecked, the availability of cheap illicit tobacco could:

- lead to the decline of genuine small businesses in the area;
- create an environment of unlawfulness that might negate attempts at regulation;
- undermine smoking cessation initiatives by Medway's Public Health team;
- lead to an increase underage smoking, given the retailers' scant regard for the law.



Yoyo from BWY Canine

Tackling the landlords instead of the tenants

Medway Trading Standards reasoned that if the shop premises were no longer available, the illicit operation would be driven underground. As well as becoming a more obviously criminal activity, there would no longer be a ready stream of high street shoppers to support it.

Officers therefore used the Proceeds of Crime Act 2002 to put legal pressure on the letting agents and landlords of the premises where the criminal offence of illicit tobacco sales was being committed.

Following three illicit tobacco seizures at a shop (to demonstrate persistent criminal conduct), Trading Standards informed the relevant agent or landlord that the rent they were collecting was the proceeds of crime, and that acceptance of any further payments could be regarded a criminal offence.

This had the desired effect: the tenancies on four of the shops were quickly terminated, soon followed by the fifth, the landlords using what is a standard clause in most commercial leases, which allows them to evict a tenant who uses a property for illegal purposes.

The legitimate newsagent whose business had been badly affected by the nearby sales of illicit tobacco told officers: 'I was shocked when the shop closed, I didn't believe it. I am so grateful, it has saved my business.'

The Medway Trading Standards team is in no doubt that engaging with landlords and letting agents in the drive to remove persistent illegal traders from the high street is an effective countermeasure to counterfeit trade.

Merthyr Tydfil

16-month imprisonment for seller of illegal set-top boxes

On 23 April 2019 at Merthyr Tydfil Crown Court, Carl Bertram Ruddock, of Treharris, Merthyr Tydfil, was sentenced to a total of 16 months imprisonment following guilty pleas to five offences. These included making articles for the use in fraud and offences under the Trade Marks Act and Copyright, Designs and Patents Act. The Charges were brought by the Trading Standards Service at Merthyr Tydfil County Borough Council.

Ruddock was buying and reprogramming set-top boxes and Amazon Firesticks to enable them to illegally access paid for TV content, such as Sky and BT Sport without paying the required subscription. He was then selling these items to the public through his business RDOCK SHOP and through his Facebook account.

The Court was told that over a period of 18 months, Ruddock sold 744 units, netting over £80,000 in sales. His activities presented a potential loss of up to £1.5 million in lost subscription revenue for the TV channel providers.

Proceeds of Crime Act action will now be taken by Merthyr Tydfil CBC, with a view to recovering the illicit gains made by the defendant.

Paul Lewis, Community Safety and Regulatory Compliance Manager stated: *'Trading Standards take a robust approach in enforcing legislation which protects legitimate business. The sentence given reflects the serious nature of this offending and should prove as a warning to anybody involved in such activities.'*

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His activities presented a potential loss of up to £1.5 million in lost subscription revenue for the TV channel providers.”



North Yorkshire

Guide Flyfishing show the way

An eBay seller and a fishing manufacturing company and its director were sentenced at York crown court on 23 November 2018 for supplying counterfeit fly fishing line.

The case was brought by North Yorkshire County Council Trading Standards Service against Ian Bailey, an eBay seller from Mickle Trafford, near Chester, and Northern Sport Fishing, a manufacturing company from Bromsgrove, West Midlands and its director Richard Tramer.

The investigation began after a complaint was received from Chris Hartley, a director of Guide Flyfishing Ltd of Sherburn in Elmet, which holds the sole UK rights to sell Rio line. Test purchases of fly line, by a Trading Standards Officer and a number of fly fishing line companies around the UK, established that Bailey was selling fake lines under the brand names Rio, Snowbee, Greys, Hardy and Loop.

Inquiries revealed that Bailey had a turnover in excess of £156,000 through his eBay accounts 'Telewatcher', 'the line man' and 'Hardyclassics'. When Trading Standards Officers executed a warrant at Bailey's home address they seized more than 5,000 lines.

At a hearing at Scarborough Magistrates' Court on 12 March, Bailey pleaded guilty to 12 offences contrary to the Consumer Protection from Unfair Trading Regulations 2008, between 25 October 2016 and 24 January 2017, and 10 offences contrary to the Trade Marks Act 1994, between 15 October 2016 and 8 November 2016. Northern Sport Fishing and Richard Tramer pleaded guilty to offences contrary to the Consumer Protection from

Unfair Trading Regulations 2008 at York Crown Court on 20 November.

The court was told that brand holders and eBay had received complaints from consumers who had bought line from Bailey. In statements to the court, both Chris Hartley from Guide Flyfishing and Russell Weston, managing director of Snowbee (UK) Ltd, outlined the damage to their brands reputation and the customer complaints and customer dissatisfaction that resulted when fake lines did not perform as expected.

Ian Bailey was sentenced to 8 months' imprisonment, Richard Tramer to seven months' imprisonment suspended for 18 months and the company was fined £1,000. Confiscation proceedings were concluded on 1 July 2019 with confiscation order totalling £150,152.

Judge Andrew Stubbs described Ian Bailey's offending as 'brazen' and said there was a 'corrupt business relationship' between Richard Tramer and Bailey, which could have resulted in a loss of turnover of well over £100,000 for genuine businesses, coupled with reputational damage.

County Councillor, Andrew Lee, portfolio-holder for Trading Standards, said: *'Purchasers of the lines sold by Ian Bailey were expecting to get a product which performed to a very high standard. Instead, they received mill ends and mis-described lines which were of a poor standard.'*

This damaged the brand reputations of a number of businesses, including one based here in North Yorkshire. The county council is determined to ensure that North

Yorkshire is a good place to do business and we will take action against anyone who harms North Yorkshire businesses as well as North Yorkshire consumers.'

Chris Hartley, from Guide Flyfishing Ltd, said 'The lines we purchased from Ian Bailey through eBay are greatly inferior in virtually all respects, with none of Rio's technology. Anyone buying these products believing they are genuine Rio products will be extremely disappointed, and we are aware the seller requested that any purchaser not satisfied return only to the seller, thus avoiding any contact from the customer with Rio or ourselves.'

He added: 'It is difficult to quantify the number of fake Rio lines sold but there will be disgruntled members of the public who believe that Rio is of poor quality. In conclusion, we need to make people aware that branded products should only be purchased from authorised approved retailers. The old motto still stands true 'If it looks too good to be true, it likely is.'

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In statements to the court, both Chris Hartley from Guide Flyfishing and Russell Weston, managing director of Snowbee (UK) Ltd, outlined the damage to a brand's reputation and the customer complaints and customer dissatisfaction that resulted when a fake line did not perform as expected.”



Rhondda Cynon Taf

Abercounterfeit

This case concerned the alleged manufacture, sale and the possession for supply of counterfeit clothing. On 11 November 2016, Newport Trading Standards carried out a test purchase from the eBay seller 'ccfcstern'. A 'Royal Blood' t-shirt was examined and confirmed as counterfeit. Enquiries were later made and, on 9 June 2017, an inspection was carried out at Sophia Print Studio Ltd, Unit 11 Pontcynon Industrial Estate, Abercynon, CF45 4EP. Here, a large quantity of counterfeit clothing and vinyl transfers were seized.

On 23 January 2019 the defendant entered guilty pleas on all charges Section 92 (1) (a), 92 (1) (b), 92 (1) (c) and 92 (3) (b) of the Trade Marks Act 1994 and Section 9 of the Fraud Act 2006.

The matter was committed to Crown Court for sentencing on the basis that:

- it was a large-scale, illegal operation;
- over £150,000 of turnover during period of trading;
- seized paperwork indicated over 700 orders between April and June 2017 alone;
- evidence of over 15,000 parcels sent during the period of trading;
- 83 items of clothing seized and over 100 vinyl transfers seized together with printing equipment;
- there were numerous victims.

On 6 February 2019 the defendant was sentenced to 12 months custody, suspended for 12 months with 200 hours unpaid work attached.

Additionally, the Judge indicated that a financial investigation was required and therefore a POCA investigation continues.

Rugby dummy

On 31 October 2018, Ian James Williams of Alexandra Road, Gelli, Pentre, attended Merthyr Magistrates Court, where he entered guilty pleas to 12 charges. One related to the selling a counterfeit Manchester United Football Club shirts (section 92 (1) (b) Trade Marks Act 1994), another related to running a fraudulent business, selling and distributing counterfeit clothing (section 9 Fraud Act 2006 and a further 10 charges related to the possessing of counterfeit football and rugby clothing (section 92 (1) (c) Trade Marks Act 1994). The clothing subject to the charges included fake New Zealand All Blacks, France and the British & Irish Lions rugby tops, as well as Argentina, Spain, Liverpool, Arsenal, Barcelona, Paris St Germain and Borussia Dortmund football clothing.

The court was told that an entry warrant was executed at Williams' home address on 19 May 2017, after complaints had been received that he was selling counterfeit football and rugby clothing using three Facebook accounts. Initially, he used his own Facebook account, before developing two false Facebook profiles, namely *Replica Football Kits and Clothing* and *Steven Jones*. A number of items of clothing were seized, along with two mobile phones and a supporting document.

Examination of samples confirmed that the goods were counterfeit and forensic examination of the mobile phones showed that Williams had imported the items from China. Williams appeared to have in excess of 150 customers and sold thousands of pounds worth of goods.

Williams was sentenced to a 12-month community order with 80 hours unpaid work (reduced from 120 hours). He was also ordered to pay a contribution of £500 towards prosecution costs, as well as a victim surcharge of £85. An order was also made for the forfeiture and destruction of all of the seized items.

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The approximate retail value of the goods seized, had they been genuine, was in excess of £51,000. As counterfeits, their value was estimated to be £8,977.”

Suspended sentence for counterfeit couple

On 2nd November 2018, Lynne Butler and Sarah Lorna Edwards, both of Duffryn Crescent, Llanharan, appeared at Cardiff Crown Court for sentencing, before Recorder Carl Harrison. They had both entered guilty pleas at a previous for selling and distributing counterfeit footwear and clothing.

This was a complex case in which evidence of counterfeit trade in clothing, cosmetics, footwear and a wide variety of counterfeit high-end merchandising, through several interlinked Facebook accounts accumulated over a period of 26 months, was considered. Indeed, Butler’s first warning letter for supplying counterfeit goods online was issued by Bridgend County Council in 2013. This particular case focussed on Lynne Butler and Sarah Edwards’ partnership in crime.

On 15 December 2016 Rhondda Cynon Taf Trading Standards executed a warrant of entry at the defendants’ home address of 16 South View, Llanharan, and at a vehicle belonging to Lynne Butler. A significant number of items were seized including clothing, footwear, bracelets, pouches and gift bags, along with mobile phones, electronic devices and computers belonging to the defendants. Officers also recovered documentation relating to orders and sales. The seized items included the brands of Adidas, Armani, Michael Kors, Nike, Ralph Lauren, Stone Island, Timberland and Ugg. The approximate retail value of the goods seized, had they been genuine, was in excess of £51,000. As counterfeits, their value was estimated to be £8,977.

In his sentence Recorder Harrison stated: *‘You should be under no illusions about how close you have both come to receiving immediate custodial sentences and if you breach the order I am about to impose, or you commit further offences, you will almost certainly go straight to prison. The predominant reason for me not sending you to prison is because of the knock-on effect it would have for your son and your father (Butler). If you fail to comply with the order I am going to impose then it will be entirely your fault. The facts can be set out briefly. During a period of just over 2 years, you dishonestly conducted a business selling counterfeit goods. You concealed your offending by hiding behind various names online and you conducted the business over a lengthy period of time. There was significant planning and it is aggravated by your previous convictions for similar offences.’*

Harrison emphasised the damage done by counterfeit crime and was at pains to point out that trade in counterfeit goods is not a ‘victimless crime’. He said: *‘You have shown a total disregard as to any potential risks. Trademark offences are not victimless crimes. A trademark is one of the most valuable assets possessed by a company that has worked hard to build up a reputation over many years to underpin their trade mark. The number of items you were selling was significant, as was your customer base.’*



Williams was sentenced to a 12-month community order with 80 hours unpaid work (reduced from 120 hours). He was also ordered to pay a contribution of £500 towards prosecution costs, as well as a victim surcharge of £85.”

South East England

Scamp sniffs out £250,000 in self-storage raid

Eight authorities took part in this project: Brighton & Hove, East Sussex, West Sussex, Kent, Oxfordshire, Slough, Southampton, Portsmouth. Each was assigned a tobacco detection dog and visits to 18 self-storage depots took place from October 2018-April 2019. Nearly £250,000 worth of counterfeit tobacco products, class A drugs and cannabis were seized.

One local authority Trading Standards team inspected over 1,400 storage lockers in a single day.

This successful project uncovered 429,700 cigarettes and 194kg of hand rolling tobacco as well as substantial quantities of class 'A' drugs and cannabis. Evidence of a potential tobacco packaging factory was also discovered, with seizures of empty tobacco pouches, counterfeit duty stamps and outer wholesale packaging.

Trading Standards manager at Reading Borough Council, Matthew Golledge, who led the project, said: *'Due to emerging intelligence we expanded our Trading Standards enforcement to cover alternative storage locations to disrupt and take action against those who supply illicit tobacco in the South East of England. Current finds are being investigated and further visits are planned.'*

Chief Executive at the Chartered Trading Standards Institute, Leon Livermore, said: *'Joint operations as we can see here highlight the versatility of Trading Standards services in the South East of England who have a track record of working together efficiently to achieve more and make use of the limited resource allocated.'*

Perhaps the real hero of this productive collaboration was the sniffer dog, Scamp, who has built a reputation as one of the best fake-finders in the country.



Scamp: a nose for crime and eyes for detail

Westminster

Diligent research and clear case presentation

Following a year long investigation by Westminster Trading Standards, on 23 November 2018, Riviera UK Ltd and its sole director Mohammed Hafiz Stanikzay and Mr Safar Akhundzada were sentenced at Southwark Crown Court. The Company was fined £4,000 with costs of £1,500 to be paid. Stanikzay and Akhundzada were given suspended prison sentences of 6 and 8 months respectively, a total of 280 hours of unpaid work, and costs totalling £4,000.

After a 6-day jury, Riviera UK Ltd and Stanikzay were found guilty of a total of 38 counts for offences under the Trade Marks Act and the Supply of Machinery (Safety) Regulations 2008. This case was based on the seizure of counterfeit and unsafe goods from premises at 34 Coventry Street, London, W1D 6BT on 18th November and 19 December 2015 by Trading Standards Officers. Items seized included unsafe hoverboards (self-balancing boards), clothing, accessories and headphones bearing names such as Hermes, Louis Vuitton, Lacoste, Beats by Dr Dre, Chanel and Jack Daniels to name a few. The total retail value of the goods was in excess of £20,000 and if genuine it is estimated that the value would be nearer £170,000.

Akhundzada, who claimed to have sub-let part of the premises from Mr Stanikzay, pleaded guilty to 15 similar counts under the Trade Marks Act and the Supply of Machinery (Safety) Regulations.

Mr Stanikzay claimed that his business and that of Mr Akhundzada operated entirely separately and that he was unaware what Akhundzada was selling from the shop premises. Whilst there was some arrangement between the defendants, taking into consideration all the facts of the case, the jury found that Riviera UK Ltd had continued custody and control of the counterfeit and unsafe goods, and as director, this was carried out with the consent and or connivance of Mr Stanikzay.

The judge stated that, *'These cases are difficult to investigate. This was diligently investigated by the Trading Standards Officers.'*



The total retail value of the goods was in excess of £20,000 and if genuine it is estimated that the value would be nearer £170,000.”

West Sussex

Tip-off leads to seizures

On February 2017, West Sussex Trading Standards Service received a complaint that an Amazon trader in West Sussex was selling counterfeit Walt Disney clothing/accessories online. Open source checks also found that the trader had an eBay account and appeared to be selling large quantities of counterfeit children goods (clothing/bags & accessories) brands included, Disney, Nintendo characters, Hello Kitty, SpongeBob and Angry Birds to name a few.

Test purchases were carried out and the goods were confirmed to be counterfeits. An entry warrant was executed at traders' residential address to seize any counterfeit goods and found that defendant's conservatory was packed up to the ceiling with counterfeit goods. The seizure was one of the largest ever taken by Trading Standards in West Sussex. The street value of the goods was approximately £52,000. Diaries also seized relating to the business confirming the sale of the counterfeit goods began in 2014.

The Defendant, Mr Andrejs Ozolins of Limbrick Lane, Goring By Sea, Worthing, BN12 6AA pleaded guilty to Trade Mark Act 1994 offences for selling and being in possession of counterfeit goods for sale.

Ozolins was sentenced to a 12-month community order with 150 hours of unpaid work and forfeiture and destruction of the goods was granted and he was ordered to pay a contribution to costs of £1,250 and a victim surcharge of £85.



Richard Sargeant, Trading Standards Team Manager, said: *'This is one of the largest seizures of counterfeit goods in West Sussex ever taken by West Sussex Trading Standards. The products were worth an estimated £52,000 and there was enough in his house to fill a van. We encourage anyone who believes that they have been sold counterfeit goods to contact us.'*



Fakes in the back – West Sussex counterfeits

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The seizure was one of the largest ever taken by Trading Standards in West Sussex. The street value of the goods was approximately £52,000. Diaries also seized relating to the business confirming the sale of the counterfeit goods began in 2014.”

West Yorkshire

Private-public partnership: TS West Yorkshire and Surelock deliver

Operation Juniper was an investigation by West Yorkshire Trading Standards following a tip-off by private investigators, Surelock International. Surelock represent leading brands in the music industry. A two year investigation led investigators to an industrial scale screen printing operation. Here, the registered trade marks of leading music artists, bands and sports teams were illegally printed onto clothing and distributed globally via eBay and Amazon. Using a number of eBay and Amazon user accounts in both their own and third-party names, including those of their family members, the extended family generated global counterfeit sales of £472,898. over a 5 year period. The printing took place at the family business YMC Clothing Ltd in Thornton Road Bradford which used the trading style 'Fresh and Funky.'

The proceeds were then used to purchase a number of properties and high value motor vehicles. The trade marks breached included Arctic Monkeys, The 1975, Motörhead, Ramones, Beyoncé, 5 Seconds of Summer, Harry Potter, Ed Sheeran and Nirvana as well as a number of others.

Warrants were executed at a number of domestic and business addresses in March 2016 and May 2016. The investigation proved that the defendants were making clothing to order. Limited counterfeit clothing was found during searches but large numbers of heat transfers for brands represented by Surelock and others were located. Investigators relied on analysis of a significant number of eBay, PayPal and Amazon records to evidence the extent of the offending in this case. West Yorkshire Trading

Standards' Financial Investigators were heavily involved in this complex process which resulted in over 50,000 pages of evidence being put before the court.

At sentencing His Honour Judge Burn described the crime as a *'well organised fraud with the backing of a legitimate company.'* He commended the two lead investigating officers for their efforts in investigating the complex case.

Amar, Yasir and Qaisar Choudry of Duchy Crescent, Bradford, their brother Faisal Choudry of Duchy Drive, Bradford and their brother-in-law Mudasar Alishan of Oakdale Drive, Shipley, were sentenced at Bradford Crown Court to 2 years imprisonment suspended for 2 years. They were also ordered to complete 300 hours of unpaid work. Yasir and Qaisar Choudry were also banned as directors of limited companies for 3 years. A supplier of counterfeit, branded heat transfers to the family, Stephen Carr of Carr Lane, Riddlesden, Keighley was sentenced to 8 months imprisonment, suspended for 18 months, for his part in the conspiracy and must complete 180 hours of unpaid work.

Proceeds of Crime Act 2002 proceedings to recover the total extent of the benefit from their offending are now ongoing.

REPORTING INTELLECTUAL PROPERTY CRIME

The logo for Citizens Advice, featuring the text "citizens advice" in white lowercase letters inside a blue speech bubble shape.

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IP Crime Group 2019

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