



Intellectual
Property
Office



TRADING STANDARDS SUCCESSES

IP CRIME AND ENFORCEMENT REPORT 2017/18

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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.

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TRADING STANDARDS SURVEY RESULTS

Introduction

The annual IPO survey of Trading Standards Officers' work on IP crime covers the period April 2017 to March 2018. The results offer an insight into the scale and scope of IP crime in the UK from the perspective of Trading Standards Officers. Each new survey enables us to track in more detail the latest trends in IP crime. Over 80% of local authorities responded to the survey. This high response rate, repeated over a number of years, means that the figures below are an accurate representation of the actions of UK Trading Standards Officers. This information is important, not only because it records the deployment of resources, but also because analysis facilitates ongoing, tactical-decision making.

Highlights

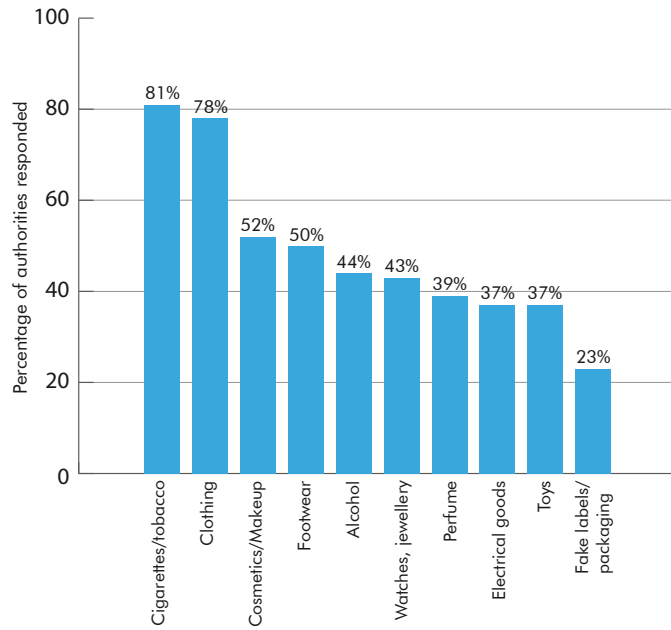
Counterfeit clothing and tobacco products remain the most investigated IP crime sectors in the UK. Cosmetics, footwear and alcohol, remain significant focusses for investigation. This year saw an increase in the volume of investigations relating to toys, cosmetics and make-up.

The most common scenes of IP crimes remain shops, social media, private residences and auction sites. A clear link to organised crime, demonstrable over a number of years, can be seen and statistical information on collaboration is available. Police, Trading Standards Officers and Revenue and Customs Officers collaborate in between 50 to 90% of responses, the IPO Intelligence Hub, Companies House and Border Force are linked in 30-50% percent of cases. Just under 25% of responding authorities used the UK IPO Intelligence Hub.

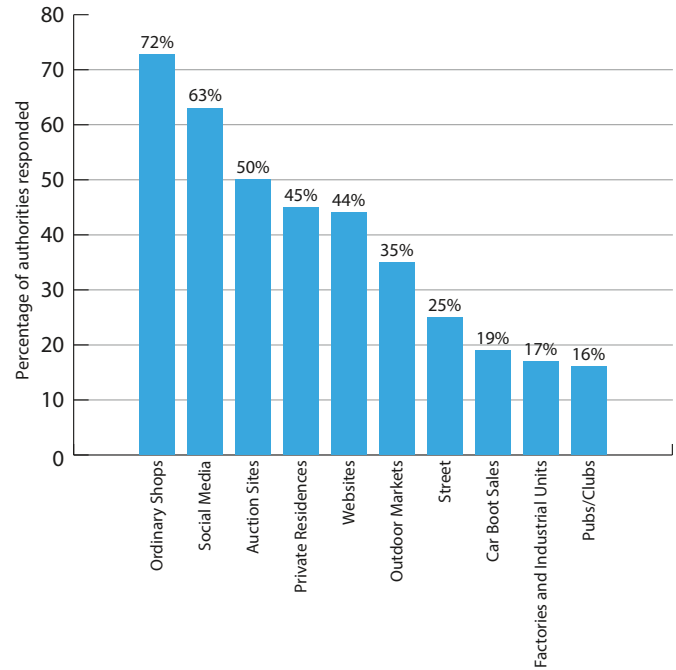
Big picture

Given the nature of IP crime work and the administrative structures that organise it, this big-picture view provides valuable information. It is clear that the major administrative systems are working together to fight IP crime. It may also be the case that institutions outside the top three collaborators can engage further.

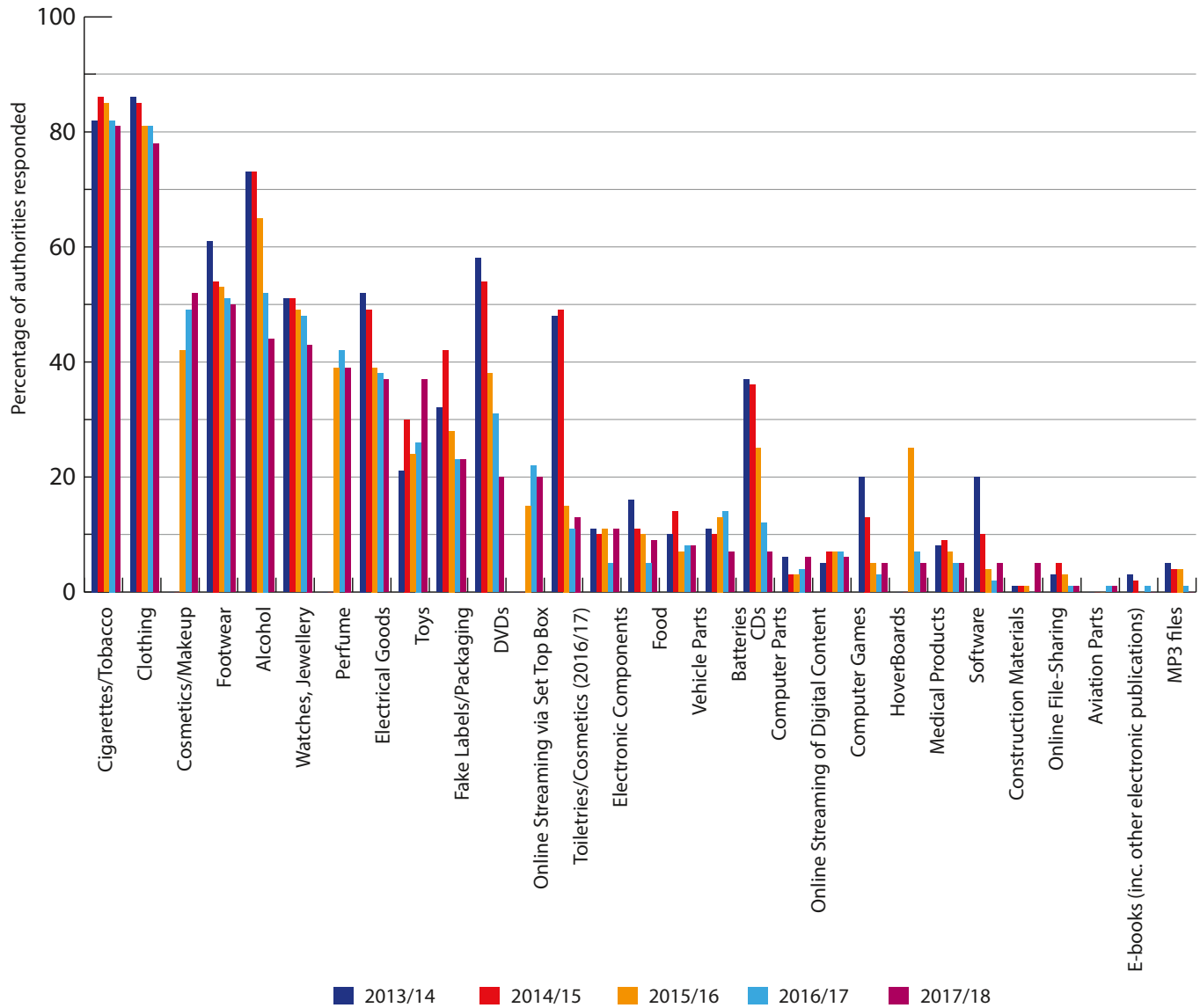
Top ten counterfeit/pirate products investigated by Trading Standards



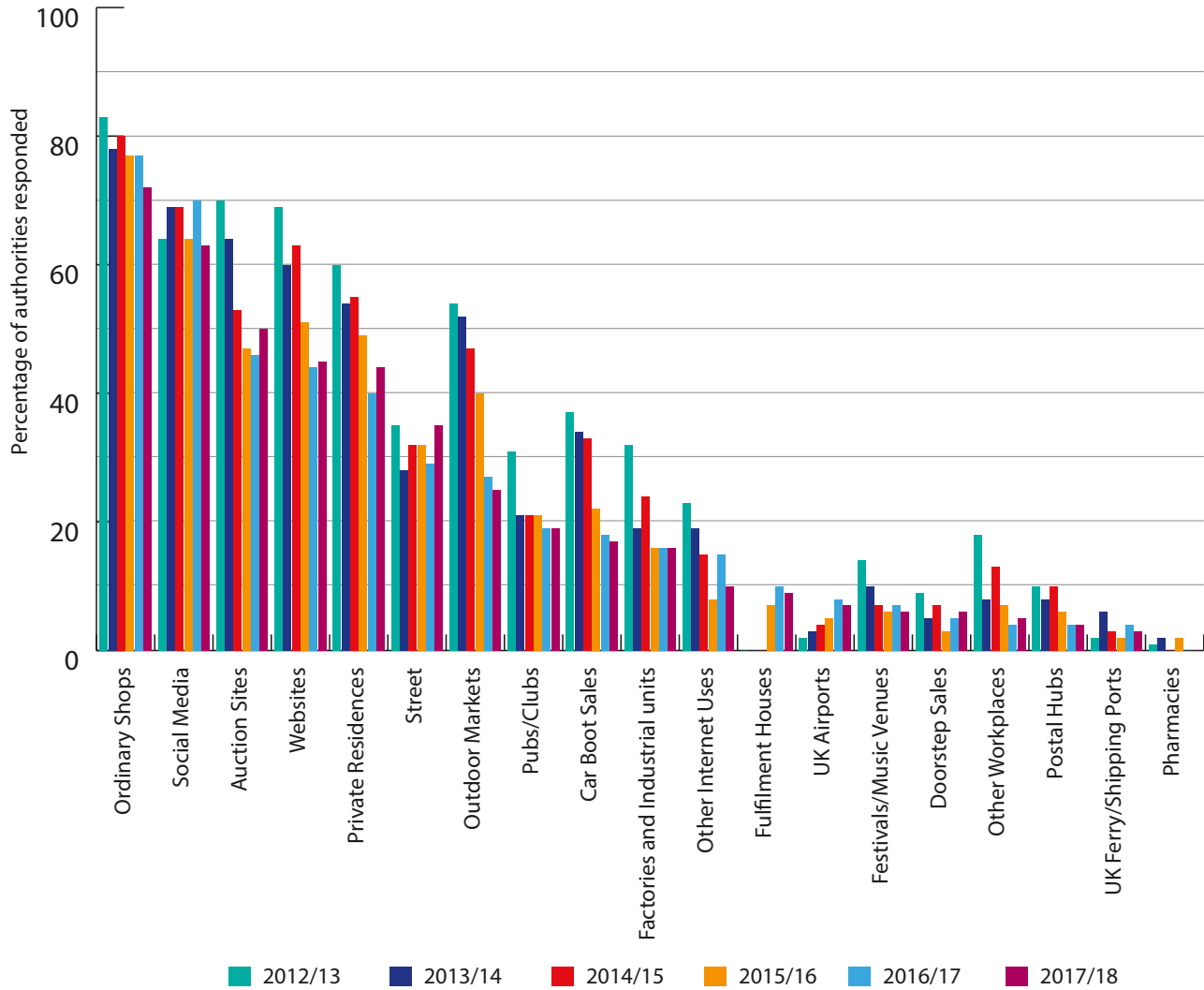
Top ten locations



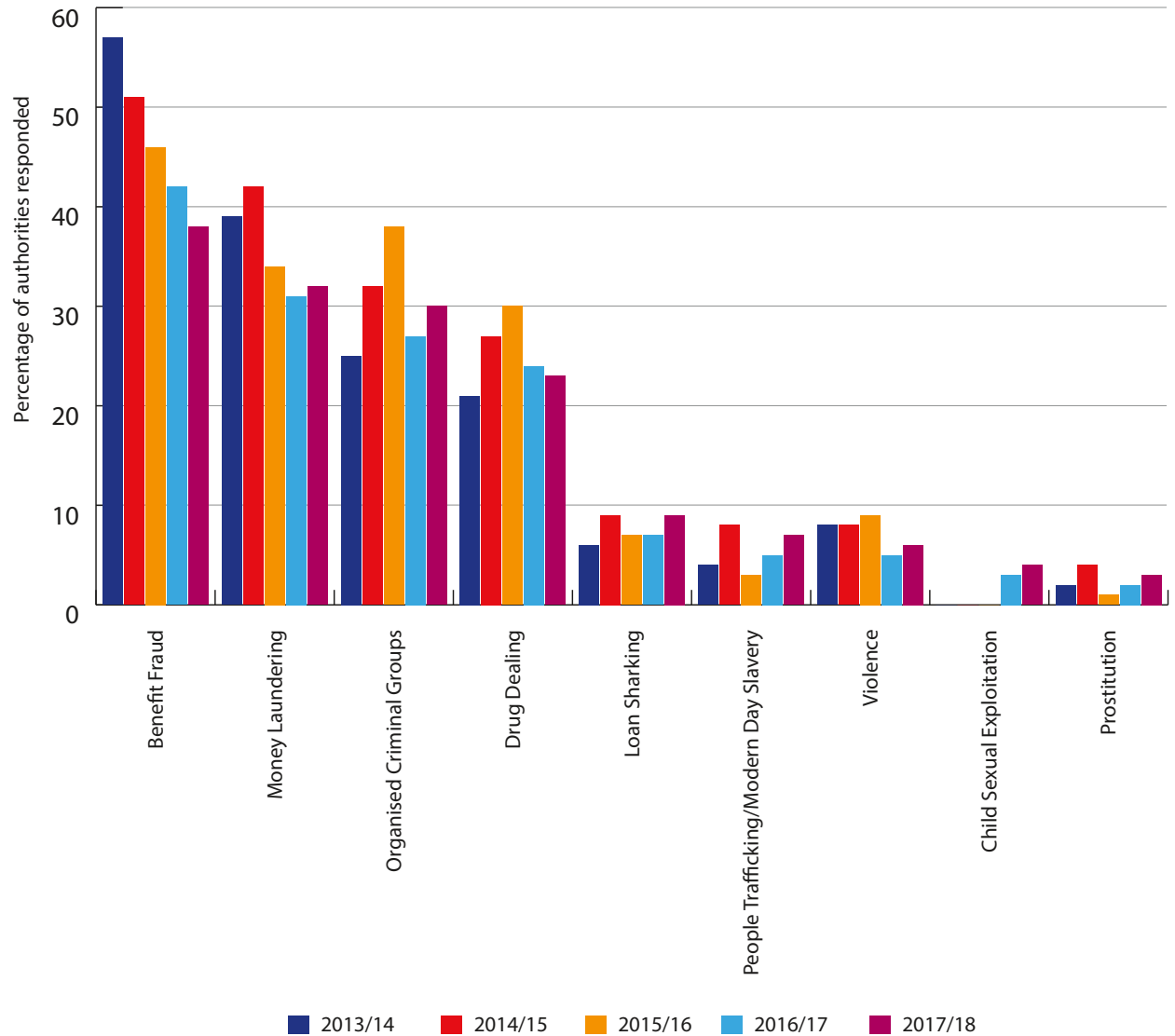
Top products investigated by Trading Standards



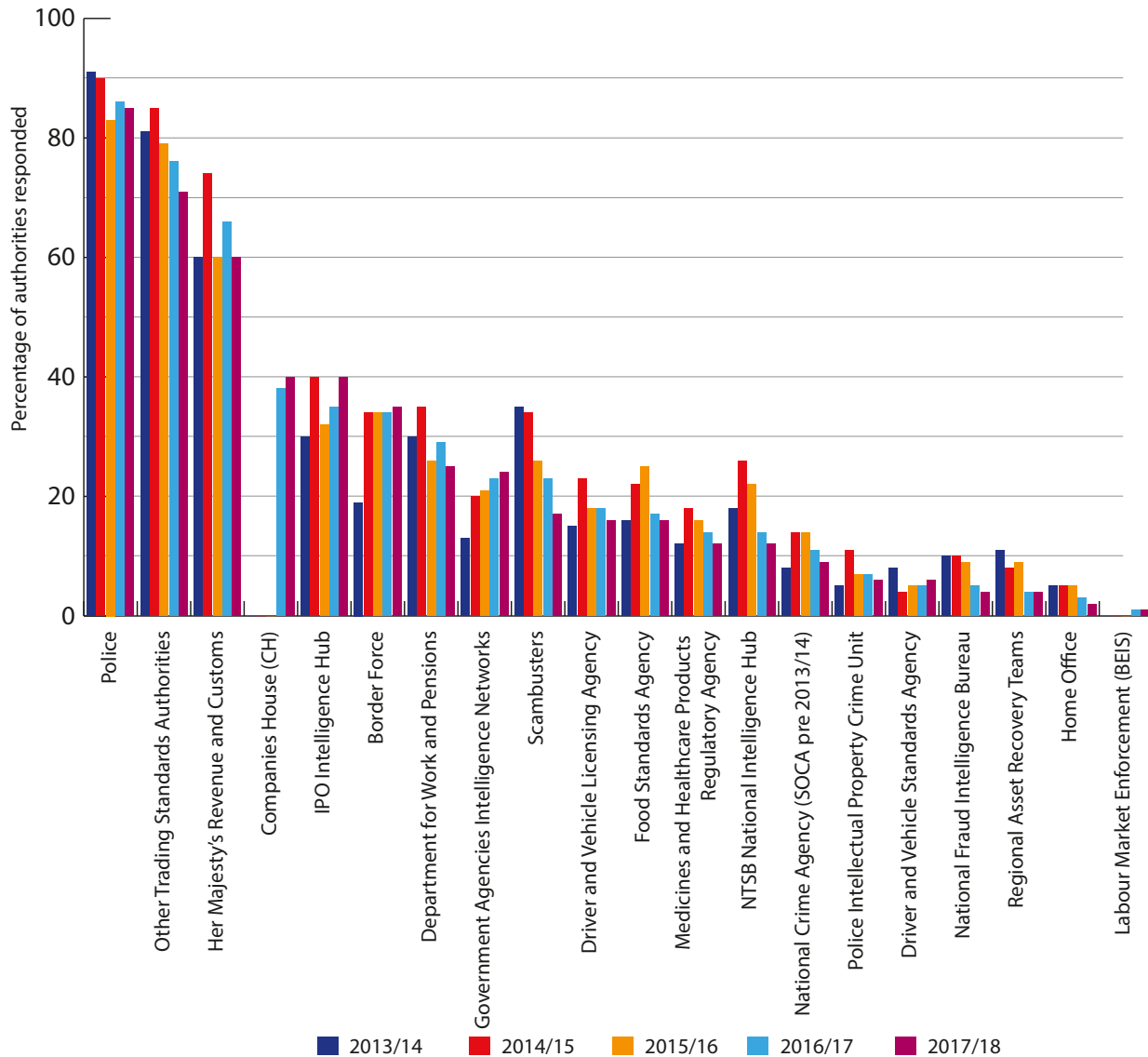
Most investigated locations



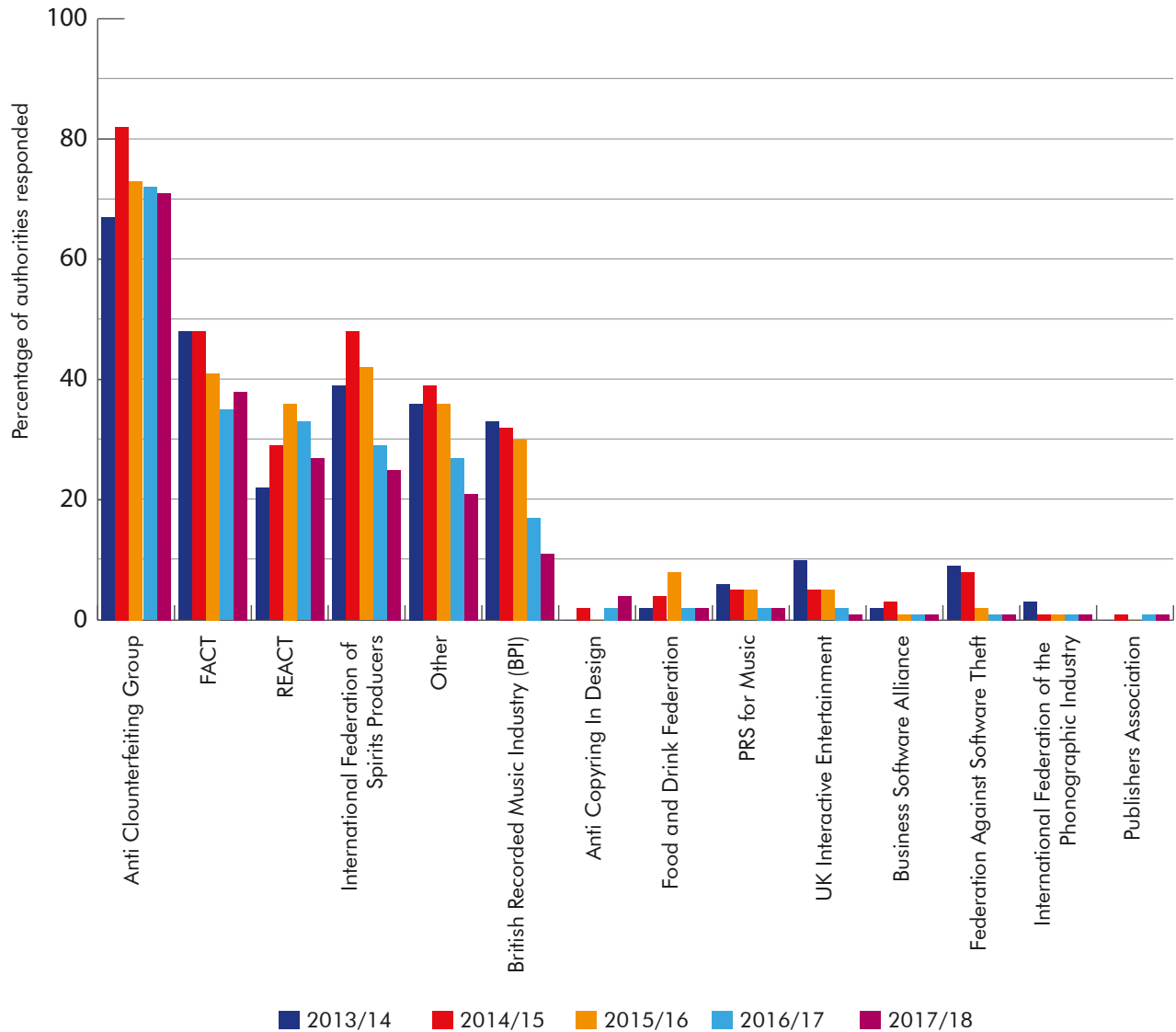
Links to other criminality



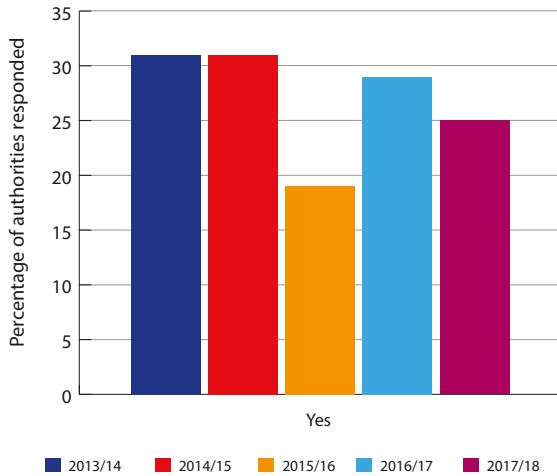
Working with other public sector partners



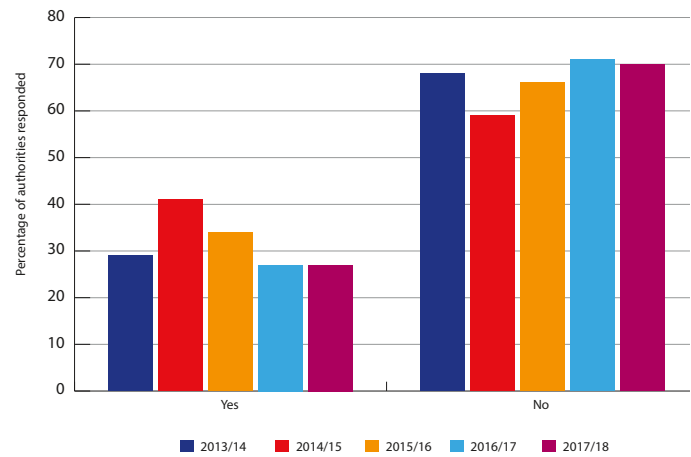
Working with industry bodies



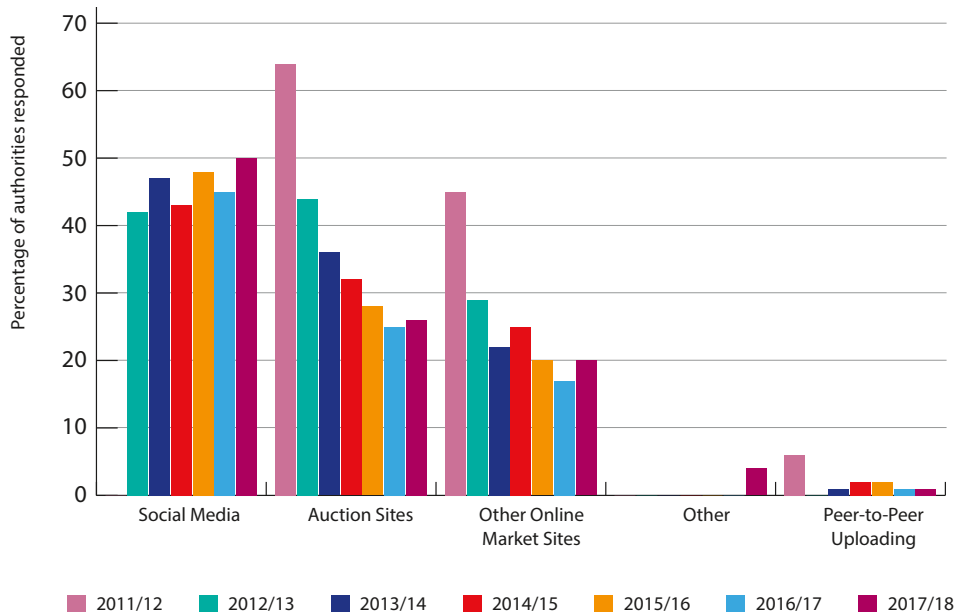
Submissions or enquiries to the IPO Intelligence Hub



POCA Restraint Orders used when investigating IP crime



Proactive monitoring online



TRADING STANDARDS SUCCESSES

IP Crime and Enforcement Report 2017/18

Trading Standards Successes

According to the OECD's report, *Counterfeit Products and the UK Economy: Fake Goods, Real Losses*, 'Precise quantification and measurement of the global reach and economic scale of counterfeiting and commercial piracy, and the loss attributable to trade secret theft, can prove elusive. This is because counterfeiting and commercial-scale piracy are illicit activities, making data on such activities difficult to obtain.'¹

The report goes on to characterise statistical means of overcoming this difficulty and reaches very serious conclusions. The headline figures: 4% of imports into the UK are counterfeit and this is worth £9.3 billion, underlines the scale and value of counterfeit criminality in the UK.

Evidence

In this section we consider different and often overlooked evidence: narrative. The following cases have not been pre-selected or edited in any significant way. Trading Standards Officers throughout the UK are simply invited to report on significant cases of counterfeit crime in their area. The patterns revealed by the statistics in the OECD report are exemplified by the actions officers are taking on the ground. The OECD identifies China as the biggest producer of counterfeit goods and clothing as the largest market sector. Staffordshire and Hartlepool Trading Standards both identify China as the sources of fake goods and counterfeit clothing appears in several areas, including Manchester and Rhondda Cynon Taf.

Whilst our anecdotal evidence is not designed to underpin policy as statistics do, the observations of Trading Standards Officers as they make test purchases, build collaborative enforcement networks and prosecute criminals through the courts are an invaluable reality-check for all involved in the IP enforcement field.

¹ OECD (2017), *Trade in Counterfeit Products and the UK Economy: Fake Goods, Real Losses*, OECD Publishing, Paris, pg. 19. <https://doi.org/10.1787/9789264279063-en>.

Best practice

In the following section we see how collaboration works, with Staffordshire Trading Standards and FACT teaming up to remove counterfeit DVDs. West Sussex Trading Standards Officers collaborated with brand owners Rolex and Swatch to terminate an online counterfeit operation. Similarly, Manchester City Council liaised with Adidas representatives in their successful prosecution of footwear fakers.

Plymouth Trading Standards Officers provide a good example of the dangers of counterfeit goods, reporting on a case where they discovered 300 times the legal limit of lead in counterfeit MAC lipstick. And from Rhondda Cynon Taff, we see how socially embedded counterfeit crime can become, with a mother-daughter team and a boy-girlfriend team engaging in counterfeit trading using Facebook. Here, both investigations ended in successful prosecutions.

Results

Throughout these case, penalties and judgements have been included. Dorset Trading Standards used the Proceeds of Crime Act in a £1 million counterfeit sports signature scam. Lancashire Trading Standards used the same power in their relentless prosecution of a skilled tobacco fraudster. Custodial sentences of up to five years are described and, in a case described by Staffordshire Trading Standards, a 16-month sentence was compounded with a repayment under the Proceeds of Crime Act in excess of half a million pounds. In the case of Cambridge and Peterborough's prosecution of Mohammed Imran Malik, the re-purposing of his counterfeit designer branded goods for the Police National Aid Convoy, who deliver emergency aid to disaster areas over the world, shows that sometimes, even fake goods can be made better.

CAMBRIDGESHIRE AND PETERBOROUGH

Toy story

On 16 January 2018, Kwun Ho Chan, 28, of Wensleydale Street, Hartlepool, received a six month prison sentence suspended for two years at Cambridge Crown Court.

Chan pleaded guilty to twelve charges relating to counterfeit toys; thirteen toy safety failure offences; seven for failure of REACH regulations as these toys contained high levels of phthalates; two charges for easy access to button batteries and additional single charges for inadequate warning, selling soft toys inappropriate for children under three, selling toys containing excessive quantities of tin and for not displaying product origin information.



Dangerous toys seized in Hartlepool

Chan, Director of K & B Station Ltd, failed to work with several Port Authorities about unsafe or incorrectly labelled toys. The charges relate to toys which included Disney's Frozen, Secret Life of Pets, Despicable Me, Paw Patrol, Pokémon, Hello Kitty, Arsenal, Peppa Pig, Angry Birds and Big Hero 6.

Test purchase

Chan's scam was revealed in October 2016, after a 'Frozen' doll was purchased under the trade name 'Kingbox Station' on e-Bay and shown to infringe copyright. A search was carried out at Chan's home address and more than 5,000 of counterfeit and potentially unsafe toys were seized.

Chan denied having any other storage facility, however one was found and it was clear from CCTV it was emptied soon after the house was searched.

Judgment

During sentencing Judge Hawkesworth said: 'this is a case about the sale of toys you imported from China that included the unauthorized use of trade marks and were also dangerous...I have no doubt your business activity generated considerable profits...despite receiving two warnings from Trading Standards, you continued to trade and it's apparent that in a storage facility it was likely that goods were removed...The authorities in respect of this type of offending say it is necessary to impose deterrent sentences as they are expensive and difficult to detect and they undermine public confidence in legitimate business. You fell victim to your skill of making money and the ready availability of fake goods from China.'

Chan was given 250 hours community service, disqualified as a director for two years and all counterfeit and unsafe goods were ordered to be forfeited and destroyed. He was also charged with money laundering under the Proceeds of Crime Act, which will remain on file.

Threat to legitimate business

Cambridgeshire and Peterborough's Head of Trading Standards Peter Gell said: 'This has been a lengthy investigation as Chan used so many trading names and accounts to hide behind online.' He added: 'Ultimately, he knew that the goods he was selling were fake and potentially dangerous as he was given notice by the Port Authorities. He did nothing to recall the goods he sold once he was presented with the evidence that they were unsafe. The Big Hero 6 figure was found to be more than 200 times over the legal limit with the amount of phthalate, which are industrial chemicals, known to be toxic if ingested.'

'The team has worked closely with trade mark representatives on this investigation and the National Trading Standards eCrime Team, without their help we wouldn't have been able to bring this case to fruition, their support is really important'.

'This criminal behaviour impacts legitimate businesses who pay their taxes and work hard to ensure they are selling safe and legitimate toys.'

Cufflinks to link

Following a number of consumer complaints, the Cambridgeshire and Peterborough Trading Standards team mounted an investigation into the trading practices of Terrance Donovan (58), of Griffiths Court, Peterborough, following allegations that he was importing and selling large quantities of counterfeit designer merchandise featuring brands such as Hublot, Rolex, Thomas Sabo, and Patek Philippe.

High-end fakes

Mr Donovan gave the impression that the high value branded items (pens, cufflinks etc.) selling for up to £250 were 'new and genuine'. He supplied the items complete with 'certificates of authenticity' in branded boxes. He created an elaborate story that the goods were 'promotional or gift items' distributed by brand-holders at prestigious international jewellery shows. As he said the items he sold were not available for retail sale, it was impossible for consumers to compare them against original products and so establish they were fakes.

The goods were sold through a variety of selling platforms, although predominantly online via eBay, Amazon and through his own businesses web sites such as Swiss Luxury Goods, Promo21 and Basel World UK.

Test purchase

Suspected items were test purchased by the Trading Standards team, enabling a detailed examination and confirmation the items were counterfeit unauthorised copies.

Donovan knowingly imported and sold large amounts of counterfeit goods to unsuspecting consumers, and continued to do so even whilst knowingly under investigation.

On 11 September 2017 at Peterborough Crown Court Donovan pleaded Guilty to:

- 1 – 'Fraudulent Trading', contrary to section 9 of the Fraud Act 2006.
- 2 – 'Acquiring Criminal Property' to the value of £76,355.50 contrary to section 329(1)(a) of the Proceeds of Crime Act 2002.

Gaol sentence

On the 13 December 2017 at Cambridge Crown Court Terrace Donovan received a total of 3 years immediate imprisonment. A forfeiture and destruction order was made in respect of all the counterfeit items.

Under the Proceeds of Crime Act a benefit figure of £76,355.50 was agreed and a nominal order for £5 was set as no realisable assets were identified.

Presiding over the case was HHJ Farrell QC who commented that this was a highly sophisticated criminal enterprise fraudulent from the outset over a period of four years.

Designer rip-off



Booty – these fakes will be reclaimed for use in emergency aid.

Mohammed Imran Malik of 52 Star Road, Peterborough PE1 5HN was found selling a large quantity of counterfeit designer goods with an estimated value of over £15,000 from pasting tables and the back of his Range Rover.

Items included: Christian Dior perfumes, Nike trainers, Ralph Lauren clothing, Nike clothing, Ray Ban sunglasses, Armani clothing, Lacoste clothing, Hugo Boss clothing, Stone Island clothing.

On 7 February 2017 Mr Malik pleaded guilty at Peterborough Crown Court to seven offences under the Trade Marks Act 1994 regarding the sale and distribution of counterfeit clothing and perfumes.

He was sentenced to 100 hours community service.

The Council are seeking a Proceeds of Crime Award against Mr Malik and a timetable for the hearing and financial aspects of this case has been set. All counterfeit clothing will be passed to the Police National Aid Convoy, who deliver emergency aid to disaster areas over the world.

DORSET COUNTY COUNCIL

Rugby tip-off

A seller of counterfeit goods has been sentenced to 150 hours of community service and ordered to pay £2,577.50 in costs.

Phillip Glossop, 49, of Weymouth, was sentenced at Weymouth Magistrates' Court on 23 April 2018. At an earlier hearing, Mr Glossop pleaded guilty to seven charges under the Trade Marks Act 1994, in relation to selling and possessing counterfeit goods and possessing transfers for making counterfeit items.

The court heard that initially Dorset County Council Trading Standards Service had received a complaint from the Rugby Football Union about a counterfeit shirt supplied by Funky Penguin Ltd, trading as Hoodie Heaven. Mr Glossop, along with his wife, were directors of the company at the time. There were no employees.

Trade mark copies

A subsequent visit by Trading Standards Officers revealed further counterfeit stock, transfers for a considerable number of trade marks and equipment for applying the designs to clothing. The items were seized and samples sent for examination by trade mark holders. These included many Star Wars related items. All of those examined were found to be unauthorised copies.

Contact Trading Standards

At interview, Mr Glossop claimed not to understand that he was producing counterfeit items but it was discovered he had previously been cautioned by Oxfordshire County Council for the same offences.

Mr Glossop apologised to the court and trade mark holders for his actions. He had signed over the seized items at the first hearing. The company ceased trading so action was discontinued against it.

Richard Herringshaw, Principal Trading Standards Officer said:

'The selling of counterfeit goods not only harms the interests of the trade mark holders, but also those of legitimate traders. We work with trade mark holders to stop such activity.'

Five years for £1 million fraud

On Friday 16 February 2018, David William Rennie (aged 46, of Banbury, Oxford), was sentenced to five years and eight months in prison at Bournemouth Crown Court. This followed a four day trial at Bournemouth Crown Court in January, when Rennie was found guilty of running a fraudulent business, contrary to the Fraud Act 2006, which traded as FA Premier Signings.

Mrs Clare Louise Rennie (aged 45), David's wife who worked in the business with him, previously pleaded guilty at Bournemouth Crown Court on Monday 8 January 2018 to identical charges, under the Fraud Act 2006 and Proceeds of Crime Act 2002.

What a Messi

The court heard that in 2002 Mr Rennie set up an online football memorabilia business, which he ran from his home in Banbury, specialising in selling signed football shirts, balls and boots from some of the world's most famous footballers including Cristiano Ronaldo, Lionel Messi, Wayne Rooney and Steven Gerrard. He also claimed to be able to source squad signed shirts and balls from top football clubs.

Online signature fraud

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. Customers from all over the world purchased these items which netted Mr Rennie over £1 million. This was spent on leading a lavish lifestyle including luxury cars and lengthy holidays to Florida each year for his family.

The shirt off Rooney's back

Acting on a complaint, Dorset County Council Trading Standards Service made a test purchase from FA Premier Signings of a signed Wayne Rooney Manchester United shirt costing £150. This was later shown to a number of experts in sporting memorabilia who all concluded that the signature was a fake. When officers raided the home of Mr Rennie in January 2016, they found a significant number of unsigned football shirts stored in an office. When compared with signed shirts advertised on the FA Premier Signings web site a large number of them matched the advertised shirts. Officers believed that when a customer placed an order Mr Rennie would sign the shirt, make a certificate of authenticity and send it out. The signatures that appeared on the FA Premier Signings 'certificates of authenticity' were also fake. Officers found a self-inking stamp in the office in a fictitious name that was used to sign each certificate.

Key quotes

Sentencing, HHJ Peter Crabtree told Rennie:

'You have brought this upon yourself. This was a sophisticated and long-standing fraud.'

Commenting on the sentence, Neil Martin, Principal Trading Standards Officer for Dorset County Council said:

'This sends a very clear message to those dealing in fake memorabilia. Mr Rennie will spend a considerable amount of time in prison. His actions have left many victims with worthless signed items which they paid substantial sums of money for.'

'As well as defrauding his victims, he also substantially affected sales for legitimate memorabilia dealers. We are very grateful for a number of these dealers such as A1 Sporting Speakers, Icons and Garry King from the Autograph Fair Trade Association Ltd (AFTAL) for their assistance in this investigation.'

'Our advice to anyone looking to purchase football memorabilia would be to try and insist on a photograph of the players signing the item. Many items are supplied with a certificate of authenticity, but at this case has shown, these are easy to forge and do not prove the item is genuine.'

Proceedings are now taking place to recover Mr Rennie's assets under the Proceeds of Crime Act.

LANCASHIRE COUNTY COUNCIL

Tobacco stash

Following a Lancashire Trading Standards investigation, a prolific seller of illicit and counterfeit tobacco was sentenced to 18 months in jail in June 2017. The offences comprised numerous sales and seizures from three shops in Accrington and Nelson, and a house in Lancaster, throughout 2016. Seizures were made from a purpose-built compartment behind shelves and from a registered SORN vehicle, amongst other numerous hiding places, including packs hidden behind foodstuffs on shelves.



Counterfeit tobacco haul from Lancashire Trading Standards

Attention to detail

The investigation was a complex one since the shop assistants and the licensee gave false details as to the owner, false details were listed with non-domestic rates, phone calls from invented business owners inventing false trails were made to Trading Standards, and cash was paid for goods at the wholesalers, leaving very little evidence of who was behind the fraudulent businesses.

Eventually the owner was traced from vehicle details. A warrant at his home yielded lease agreements and stock invoices providing further proof as to his involvement in tobacco sales at the premises under investigation, and he was brought to justice at Burnley Crown Court. In addition to the jail sentence, £6,910 seized from the trader was forfeited at court, and a confiscation order of £8,090 was made under The Proceeds of Crime Act. The trader was warned by the court that if he did not pay his confiscation order within 3 months he would face another 5 months behind bars.

MANCHESTER CITY COUNCIL

Yoko's Trading Limited

On the 19 January 2018 the Yoko Trading Limited and its secretary, Mr Fang, pleaded guilty to 17 offences under the Trade Marks Act 1994, of which three of these included the applying of a registered trade mark offence.

In sentencing, magistrates stated that they considered the totality of the offences rather than sentencing for each separate offence. Magistrates stated they viewed this as a sophisticated operation in which Mr Fang had assembled all the accessories for labelling the counterfeit goods.

Mr Fang was sentenced to 140 hours unpaid work and ordered to pay £2,020 in costs and a £85 victim surcharge. Magistrates confirmed that it would have been 210 hours however they gave him credit for his early guilty plea.

Yoko Trading was fined £3,400 and ordered to pay £2,020 costs. Magistrates stated that they could have imposed a more punitive fine, however they had been lenient as they did not want the sentence to mean the company had to stop trading and the employees would lose their jobs.

Work in progress – footwear fakes

92% of traders sold counterfeit footwear

The project started in February 2017 where officers targeted footwear traders. Trading Standards Officers teamed up with brand representatives from Adidas and visited 13 traders offering advice on intellectual property and giving them the opportunity to remove any infringing items. Of the 13 traders visited only one trader did not have any infringing items. On these visits officers identified a wide variety of infringing items either being trade mark or design issues. The brands ranged from UGG, Adidas, Chanel, Timberland, Nike, Louis Vuitton, and Michael Kors.

All the traders were then sent an advisory letter detailing our findings outlining the applicable legislative control. Officers carried out a small seizure of Chanel shoes from one of the traders.

Teamwork

Trading Standards Officers then carried out multi-agency revisits in April 2017 with partners from GMP, Immigration and HMRC.

91% of traders cleaned up their act

Eleven traders were revisited. All but one trader was found to have removed infringing items from the premises. The items found were seized by officers, totalling 4,250 pairs and 77 single Adidas footwear, 2,198 Chanel Metal tags, two Timberland material labels and one UGG material label. Investigation into this is still ongoing with a view to prosecution, also with direct links to this trader supplying inside and outside of the UK. HMRC also had successes with one of the traders declaring that they had underpaid taxes to the value of £30,000 which was also followed up with an investigation.

Ongoing investigations

Further visits have been carried out in September 2017 and April 2018. These have again resulted in various large seizure of unauthorised goods. Investigations are currently ongoing into these traders, with a view to some of these traders being prosecuted.

Manchester Headlines

Sangrila Limited

Seizure in November 2017 resulting in over 800 pairs of counterfeit animated socks and hoodies. Prosecution file is being completed.

Red Fox

Seizure of 385 holdalls bearing registered designs including Mickey Mouse and Winnie the Pooh. The goods have been signed over for destruction.

Glorious Fashion

Seizure of 686 holdalls bearing registered designs including Mickey Mouse and Winnie the Pooh. The matter is still under investigation.

Jury Street Centre

In October 2017 officers executed a warrant at an address in Strangeways resulting in 40ft container load of counterfeit goods being removed from various units within the address. Investigations ongoing. A smaller seizure of over 3,000 goods was carried out by officer at the same address in June 2017 which aided this warrant application.

Pre-Christmas Raid

Large scale multi-agency operation targeting the landlords of the address. Three 40ft containers full of counterfeit goods removed from 13 units. A full count took place and the figure for this seizure was 142,940 counterfeit items. Great result and partnership working. Large scale investigations currently ongoing in relation to the seizure.

Blinge Limited

Seizure of 1,300 items of counterfeit jewellery in August 2017, Trader has been interviewed with a view to prosecution.

Nats Wholesale

Officers seized 105 unauthorised Fingerlings as a result of a notification from East Midlands Airport Safety at Ports team. Goods signed over for destruction.

PLYMOUTH

Killer cosmetics

Paul Lamerton, who made the national news for selling fake MAC lipstick which had over 300 times the legal amount of lead in it, has been prosecuted by Plymouth City Council's Trading Standards.

The fake lippy – called 'Lady Danger' – was one of a number of counterfeit goods sold by Lamerton on eBay and Facebook. He pleaded guilty last year to seven offences committed between 2012 and 2016.

The 48 year-old was living in the Stoke area of Plymouth at the time he committed the offences, which included selling other fake MAC lipsticks and mascara and a number of fake children's Minion and Barbie watches online.

Sentencing

Lamerton was sentenced to a total of six weeks in prison suspended for 12 months. Magistrates had initially said the offences should each carry a nine week sentence but this was reduced because of his early plea and remorse. He was also ordered to pay £400 costs and £115 victim surcharge.

Trading Standards received intelligence that the fake goods were being sold and raided Lamerton's address in June last year. A number of fake items were seized along with packaging materials for posting them.

Among the haul were lipsticks and mascaras branded as MAC. The products were sent for testing and the fake cosmetic found to contain dangerously high levels of lead. The worst was a fake MAC lipstick called 'Lady Danger' that contained 3702mg/kg of lead – the permitted limit is 10mg/kg. Other fakes of 'Russian Red' and 'Diva' MAC lipsticks also contained illegal, albeit lower levels of lead.

Council comment

Councillor Dave Downie, Cabinet Member for Safer and Stronger Communities said: 'These items were not only fake, but some were dangerous. 'Plymouth's Trading Standards Officers work hard to protect people in Plymouth from unsafe goods. The products may look like the real thing, but were not and consumers can put their health at risk by using them. The level of lead in one sample was incredible. Legitimate companies comply with regulations that are designed to keep us safe but counterfeiters avoid costs incurred and the taxes by legitimate companies.'

RHONDDA CYNON TAF

Family affair - Facebook fraud

On 8 December 2016 officers from Rhondda Cynon Taf Trading Standards executed a warrant of entry at 18 Brondeg Street, Tylorstown, Ferndale, in connection with sale and supply of counterfeit goods being advertised on Facebook / Ystrad Rhondda Bargain Basement. This was the home address of Shona Williams. No items were recovered from this address, except for a mobile phone. Under caution, Miss Williams told the officers that she had been advertising goods for sale on Facebook on behalf of her mother, Paula Williams and any items would be stored at her mother's house. As a result, the officers were able to carry out a search with consent at the home address of Paula Williams a short distance away.

Counterfeit haul

A total of 62 items were recovered from the premises, which consisted of clothing and footwear displaying numerous registered trade marks, including Adidas, Converse, Ellesse, Emporio Armani, Jack Wills, Lacoste, Nike, Polo Ralph Lauren, Superdry, Timberland and Ugg. Had these items been genuine, they would have had a retail value of approximately £4,235. As counterfeit stock items, ready for sale, they had a value of approximately £1,310.

White van middle man

At interview, Paula Williams stated that all of the seized items belonged to her and she had bought them as a job lot for £150 from an unidentified male in a white van, when he had approached her near to her home address. There had been more goods as part of the consignment, but Mrs Williams had already sold about eight to ten tracksuits and five or six pairs of trainers. She said she had bought the items with the intention of giving some of them to family members as Christmas presents, with the rest being sold on. She stated that she had asked her daughter to advertise the goods on Facebook because she did not have the technical expertise to do it herself. She denied that her daughter

had any other involvement. At interview, Shona Williams also gave the same explanation and denied any involvement other than advertising the goods on behalf of her mother.

Sentencing

Paula Williams was charged with four offences under Section 92 (1) (b) of the Trade Marks Act 1994 and nine offences under Section 92 (1) (c) of the Trade Marks Act 1994. She entered guilty pleas to all of these offences (at the earliest opportunity) at Merthyr Magistrates Court on 1 November 2017. She was sentenced to:

A Community Order for eight weeks by means of tagging under curfew 19.00 – 07.00 daily, a contribution of £1,000 towards costs and an £85 victim surcharge was ordered along with forfeiture and destruction of all the seized goods.

Shona Williams was not charged with any offences and received a letter of informal warning/advice.

Partners in crime – Facebook fraud

On 13 December 2016 officers from Rhondda Cynon Taf Trading Standards executed a warrant of entry at 151 Gelli Road, Gelli, Pentre, in connection with sale and supply of counterfeit goods on Facebook. A total of 76 items were recovered from the premises, which consisted of clothing, footwear, perfume, aftershave, speakers, cosmetics, handbags, purses, watch and wallet sets and accessories displaying numerous registered trade marks, including Adidas, Beats by Dr Dre, Chanel, Ellesse, Emporio Armani, Hugo Boss, Lacoste, Lyle & Scott, Mac, Nike, Paco Rabanne, Pandora, Polo Ralph Lauren, Ted Baker, The North Face and Ugg. Had these items been genuine, they would have had a retail value of approximately £6,675. As counterfeit stock items, ready for sale, they had a value of approximately £1,756. Also recovered was a quantity of handwritten documents relating to the sale of counterfeit goods, as well as two mobile phones.

151 Gelli Road was the home address of Jodie Anne Bevan. Rhondda Cynon Taff Trading Standards had conducted an investigation into Bevan and her partner, Kayleigh Maria Thomas. Both individuals had advertised some counterfeit goods on their own Facebook pages, although the majority of goods were advertised on a false Facebook profile created by Bevan, namely James Andrews. This profile had been created purely for the purpose of advertising counterfeit goods for sale. It was also linked to Kaj Buys ('Kayleigh and Jodie').

Counterfeit lottery

A forensic examination of the two seized mobile phones proved that both Bevan and Thomas were involved in purchasing and selling the counterfeit goods, which they obtained from a variety of sources. It would appear that the activities started towards the end of October 2016, with Bevan borrowing money from her father to buy and sell counterfeit Mac make up sets. Over the next few weeks, Thomas started to take a more active role in the buying and selling than Bevan, although Bevan was still involved, including delivering to customers. It was also apparent that they were operating a "bonus ball" scheme based on the National Lottery. Counterfeit goods were offered as raffle prizes, with customers picking a number between 1 and 59, paying £1 for each number. Customers could win the "prize" if their number was the same as the National Lottery bonus ball for either Wednesday or Saturday of that week.

Sentenced

Bevan and Thomas both declined to attend a voluntary interview. They were each charged with four offences under Section 92 (1) (b) of the Trade Marks Act 1994, 12 offences under Section 92 (1) (c) of the Trade Marks Act 1994 and a single charge under Section 9 of the Fraud Act 2006 for knowingly carrying out a fraudulent business. They both entered guilty pleas to all charges (at the earliest opportunity) at Merthyr Magistrates Court on 21 March 2018. They were both sentenced to:

- A Community Order for 10 weeks by means of tagging under curfew 20.00 – 06.00 daily.
- £500 Costs each.
- £85 Victim Surcharge each.
- Forfeiture and destruction of all the seized goods.

STAFFORDSHIRE COUNTY COUNCIL

Counterfeit DVD seller ordered to pay back £567,000

A Penkridge man has been ordered to pay over £567,000 after selling counterfeit DVDs on eBay.

Paul Michael Foster, aged 53 formally of Walhouse Drive, Penkridge, Stafford had previously pleaded guilty to one offence of fraudulent trading and nine offences infringing the Trade Marks Act (1994) in November 2015.

Collaboration

A successful investigation by FACT (who provide intellectual property protection) and Staffordshire Trading Standards found Foster buying counterfeit DVDs from China and selling them to customers worldwide as genuine on eBay. He was sentenced to 16 months imprisonment in January 2016.

Sentenced

At the confiscation hearing on 12 February 2018 at Stafford Crown Court, Foster was ordered to pay back £567,000 in proceeds of crime money and prosecution costs of £36,858.72.

Key findings

Gill Heath, cabinet member for Communities at Staffordshire County Council said: 'This confiscation order against Mr Foster is by far the largest order ever secured by Staffordshire Trading Standards and is entirely fitting for the shocking offending by this individual.'

'Counterfeiting costs legitimate businesses dearly and damages the economy and the court has clearly taken these offences very seriously. This is a great result for our Trading Standards team and reflects the hard work of the officers involved in carrying out both the criminal and financial investigation.'

'This investigation is also an excellent example of partnership working in the fight against crime, which has subsequently led to the recovery of significant assets obtained through criminality. We will always consider, where appropriate, applying for the confiscation of assets from criminals involved in such activity.'

Forfeiture of the seized DVDs was previously granted to Staffordshire Trading Standards for disposal.

Fake football kits given the red card

Ahead of Premier League's 2017/18 season kick off, plans to sell thousands of fake and potentially dangerous replica football shirts have been red-carded.

Scores of boxes of fake shirts for teams, including Chelsea, Liverpool, Barcelona, Real Madrid, Porto, Benfica and Paris Saint Germain, were among a haul of counterfeit goods with a retail value of more than £1 million found by Staffordshire County Council Trading Standards Officers.

Gill Heath, Staffordshire County Council's Cabinet member for Communities, said the big issue with fake clothing is the danger it can pose to people's safety.

She said: 'As well as taking money from reputable businesses, there's no guarantee that counterfeit clothing like these shirts meets high standards and safety legislation, making them potentially dangerous.'

'We've had cases before where fake clothing does not pass fire safety tests, sunglasses that don't offer protection from UV rays, and fake electronics that have exploded whilst in use. These products may be tempting because they look like a bargain, but it's not worth the risk to your health and safety.'

Complex collaboration

The raid was as a result of information received from the National Trading Standards Safety at Ports Project at East Midlands Airport.

The project works across 14 local authorities at ports, airports and postal hubs to detail dangerous and illegal items such as toys, clothing, cosmetics and electrical appliances.

Acting on intelligence that goods were being imported into a North Staffordshire warehouse, Staffordshire Trading Standards carried out a raid where they found football kits, fake mobile phone components, sunglasses and even razor blades.

Gill continued: 'The increase in the amount of dangerous and counterfeit products seized at ports is a worrying trend. People should always buy from reputable retailers, as that way you will have peace of mind that these products are safe, and that the money you pay is going to legitimate sources and not potentially funding criminal activity.'



Staffordshire County Council's Trading Standards Officers Mark Wilson and Nigel Cotton with just some of the counterfeit merchandise.

WEST SUSSEX COUNTY COUNCIL

West Sussex County Council Vs Jamie Thorpe

eBay watch

In December 2014 West Sussex Trading Standards received a complaint from a consumer who had purchased a Rolex watch from a West Sussex trader, 'Ludgate Watches' on eBay for £2,425. When the consumer received the watch she immediately believed it was counterfeit as she worked in the vintage and antique jewellery trade and therefore took it to a Rolex dealer nearby who confirmed that it was counterfeit. She contacted the trader who refunded her but reported this to West Sussex Trading Standards. Later that month the Rolex Watch Company Ltd purchased three Rolex dials from the trader 'Ludgate Watches' and confirmed in a witness statement that all three were counterfeit.



Fake dials seized by West Sussex investigation


Following this, a Trading Standards Officer also conducted a test purchase of a Rolex branded warranty book in January 2015. This booklet was sent to The Rolex Watch Company Ltd who confirmed in a witness statement that it was counterfeit.



Fake warranty books seized by West Sussex investigation

Rolex and Swatch participate

After extensive research into Ludgate Watches it was found that they were no longer based in West Sussex and had moved. Further investigation took place into the business and suspected associated individuals and on 24 June 2015 a warrant was executed at four addresses (in West Sussex, Surrey and East Sussex). A large number of watches and watch parts of brands Rolex and Omega were seized from Jamie THORPE, the owner of Ludgate Watches at his home of The Barn, Milwards Farm, Lewes, East Sussex.



Items were later examined by the Rolex Watch Company Ltd and The Swatch Group Ltd and nearly all of them were confirmed to be counterfeit. These items included watches themselves, watch dials, watch straps, guarantee booklets and plastic tags. Jamie THORPE's computer and paperwork was also seized and genuine documents were found on his computer and in his files that had been edited to forge new Rolex documents referring to the counterfeit watches he was selling to make them appear genuine when they were not.

Sentencing

On 23 June 2017, Jamie THORPE was sentenced after previously entering a guilty plea to 16 offences. He was given a 12 month prison sentence, suspended for two years, and ordered to complete 180 hours unpaid work.

Proceeds of crime

Following this, a Proceeds of Crime investigation showed that THORPE had received £659,043.20 from his illegal selling and on 8 February 2018 at Lewes Crown Court, he offered to pay £28,000, plus a further £659.26 in compensation. As THORPE had nothing of value that could be recovered, this was accepted. He was ordered to pay this within three months, or serve a nine month prison sentence.



REPORTING INTELLECTUAL PROPERTY CRIME

citizens
advice

Citizens Advice Consumer Helpline

<http://www.citizensadvice.org.uk>

03454 04 05 06

For a Welsh-speaking advisor

03454 04 05 05



Crimestoppers

If you wish to remain anonymous, contact

www.crimestoppers-uk.org

0800 555 111



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