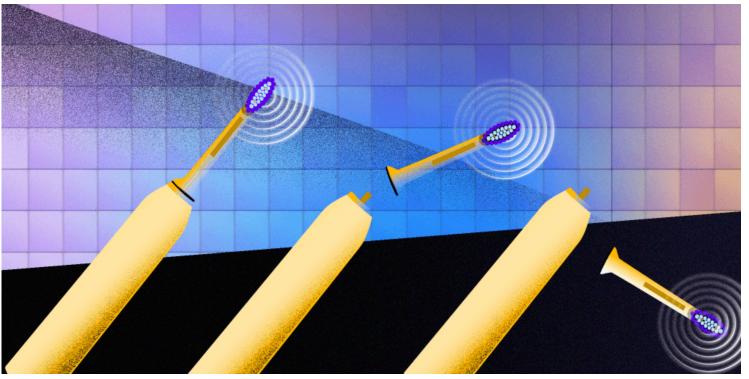
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Ilustration: Sarah MacReading

Welcome to the Era of Fake Products

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Imagine walking into your local grocery store and seeing two virtually identical cartons of milk right next to each other. The only discernible difference—and it's barely discernible—is that there's a tiny tag on one carton saying the milk is sold by a third-party seller. Oh, and it might have rat poop in it.

This scenario isn't all that far from what's happening in e-commerce retailers' massive, hard-to-police markets of third-party sellers.

awful lot of them are peddling fakes.

A major Wall Street Journal investigation recently revealed that **Amazon** has listed "thousands of banned, unsafe, or mislabeled products," from dangerous children's products to electronics with fake certifications. The Verge reported that even Amazon's listings for its own line of goods are "getting hijacked by impostor sellers." CNBC found that Amazon has shipped expired foods—including baby formula—to customers, pointing to an inability to monitor something as basic as an expiration date. Because of the proliferation of counterfeits and what Birkenstock describes as Amazon's unwillingness to help it fight them, Birkenstock won't sell on Amazon anymore. Nike announced that it is also pulling out of Amazon. "Many consumers are ... unaware of the significant probabilities they face of being defrauded by counterfeiters when they shop on e-commerce platforms," reads a January 2020 Department of Homeland Security report (PDF) recommending measures that would force e-retailers to take counterfeits even more seriously. "These probabilities are unacceptably high and appear to be rising."

This is something we care a lot about here at Wirecutter. After all, we're in the business of recommending the best products to our readers. We want to make sure that if you act on our advice, you actually get the top-quality product we're recommending and not some third-rate knockoff.

Over several months of research, we were able to purchase items through Amazon Prime that were either confirmed counterfeits, lookalikes unsafe for use, or otherwise misrepresented. We talked with many brands about the rise of fakery and their efforts to combat it. And we tried to understand the new landscape of counterfeits and how to navigate it, so that you can as well.

Amazon, too, is clearly aware of the problem and is taking plenty of measures to combat counterfeits on its site. But critics say its efforts are not nearly enough. (Read more about Amazon's efforts to fight counterfeits here.)

Welcome to the era of fake products.

Burned by fake gloves



The real 'Ove' Glove and the fake 'Ove' Glove look nearly identical.

Photo: Ganda Suthivarakom

"Sometimes, removing pans from the oven can be too hot to handle—ouch!" warns the cheesy voiceover on late-night <u>commercials</u> for the 'Ove' Glove. The heat-proof glove, made of meta-aramid fibers and cotton, with strips of silicone that can withstand temps of 540 degrees Fahrenheit, made its name in the early 2010s with funny, easy-to-mock ads. But the 'Ove' Glove had plenty going for it—an endorsement by <u>Consumer Reports</u>, the Good Housekeeping Seal, and on and on. It was a highly unique product, and the company took steps to protect itself with a design patent (<u>D567,454</u>) and a <u>trademark</u>.

Despite those efforts, the small, San Francisco-based company has had to contend with counterfeit sellers on its own product pages on Amazon and other sites.

Michael Hirsch, vice president of Joseph Enterprises, told us that the process of getting fraudulent third-party sellers removed can take months and involves painstakingly buying suspected fakes and documenting the problem for Amazon. Though the exact rules of the algorithm are not public knowledge, counterfeiters likely "win the buy box" (or become the seller that gets to fulfill an order) by posting the lowest prices, so alternate sellers get to fulfill orders for customers instead of Joseph Enterprises. We bought our fake for \$9.86 on Amazon, about \$5 less than the price Joseph Enterprises set. We were even able to find obvious fakes selling for \$2 apiece in bulk on Chinese commerce site Alibaba.

Because there are rarely consequences for selling fakes, beyond a seller disappearing from a site, the seller can just reestablish its presence to continue to move its inventory. "Once they're off, they come back under a different brand and name," Hirsch said. He laments not just the loss of customers but the danger posed by fakes. "Customers have literally been burned by using an inferior product," he said. Given this and other problems the company has encountered, Hirsch said he recommends that customers buy the 'Ove' Glove from <u>Target</u>'s site or at brick-and-mortar retailers.

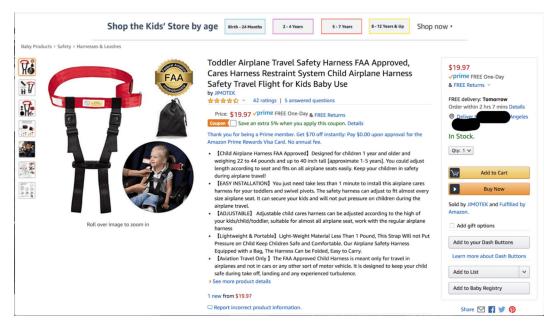
We reached out to Amazon about the fake 'Ove' Gloves and the problematic seller. The seller was removed from the site shortly after we purchased the fake glove.

Fakes for kids

Wirecutter <u>recommends</u> the authentic Kids Fly Safe CARES Airplane Safety Harness for people who want to secure smaller children on planes without having to lug a heavy car seat. The patented and trademarked harness is made by <u>AmSafe</u>, an aviation manufacturer that specializes in building restraint systems for commercial aircraft. As a Federal Aviation Administration representative told us, "The AmSafe product called CARES (Child Aviation Restraint System) was certified as an ELOS—Equivalent Level of Safety—to a car seat. It is the only harness type child safety restraint that <u>the FAA has certified (PDF)</u>."

AmSare told us that it has put hundreds of thousands of dollars into testing the safety of its product, running more than 100 sled tests with crash test dummies to simulate flight conditions. Knockoff manufacturers sew nylon straps together to create a \$20 product that may look like the Kids Fly Safe CARES harness, but "it's all in the sewing and the webbing," said Charley Fussner, business unit director of seatbelts at AmSafe. Although there are currently six sellers for the CARES harness, the only authorized seller on Amazon is River Colony Trading, Fussner said.

We reached out to Amazon and the FAA about this knockoff. Shortly after I contacted the FAA, the product was removed from Amazon. However, another harness listing has popped up under a different name, using the same imagery (minus the FAA label), and with a price of \$50 instead of \$20.

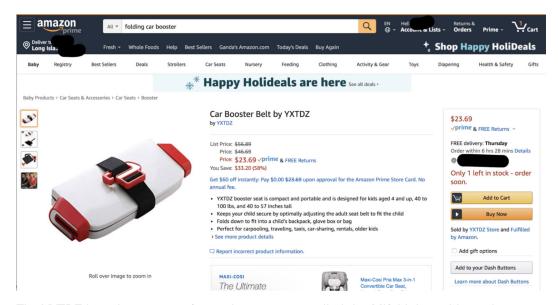


This Amazon listing for a counterfeit CARES airplane restraint harness falsely claimed that the copycat was FAA approved. It was selling for about \$50 less than an authentic CARES harness and looks nearly identical, at least in the listing.

As <u>The Washington Post</u> and <u>CNN</u> have recently reported, kids car seats and strollers have also been copied and knocked off by counterfeiters. Amazon relies on third-party sellers to self-certify that a product <u>complies</u> <u>with all safety laws</u>. But as <u>Inc. has reported</u>, Amazon isn't reviewing

almost as soon as he launched his company: "They don't copy exactly the design, but what they have done is copy the concept of the product."

We were able to purchase the YXTDZ portable and foldable child booster seat, a cheap plastic seat similar to the Mifold, but with none of the reinforced metal or safety labels required by law for children's car booster seats. The listing has since been removed. The fake is worrying—it looks about as sturdy as a flimsy toy you might buy at a swap meet. We reached out to the seller to request safety information but did not get a reply.



The YXTDZ is a cheap copy of a car booster seat called the Mifold, but without the safety labeling or documentation that it meets federal standards.

Copies like the YXTDZ lack the clear labeling and safety test results of the compliant Mifold (Sumroy compares his invention to cheap knockoffs <u>in this video</u>). The physical distinctions between the products are clear, but the invisible differences are far more worrisome. And because Sumroy is faced with a knockoff rather than a counterfeit, Amazon's anti-counterfeiting tools can't be used to combat the problem.

We reached out to Amazon about this product. The <u>YXTDZ storefront</u> still exists, but it is no longer offering the car booster seat on Amazon.

The third-party seller system: a boon to counterfeiters

retailer might be liable for selling to a customer. Business owners were gatekeepers, and counterfeits were largely relegated to back alleys, figuratively and literally.

Things are different online. Smaller vendors who peddle counterfeits, particularly pseudonymous third-party sellers on e-commerce platforms with broad reach and trust, now have access to millions of customers they never had when they were lurking in downtown alleys and flea markets. "The rise of e-commerce has led to the rise in counterfeits," says Kim Gianopoulos, director of a Government Accountability Office (GAO) team that investigated counterfeits for sale online.

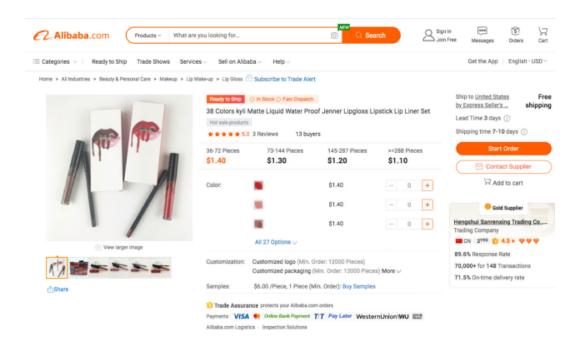
If you shop on Amazon, you've probably bought things from third-party sellers without knowing it. I have. Third-party sellers now dominate Amazon sales, accounting for 54 percent of units sold on Amazon in the second quarter of 2019, according to Statista. "Third-party sellers are kicking our first-party butt," Amazon CEO Jeff Bezos told shareholders in a 2019 letter, calling the increase—from 3 percent of sales in 2000 to over half today—"remarkable." Annual third-party sales have grown to a whopping \$160 billion.

You've probably bought things from third-party sellers without knowing it. I have.

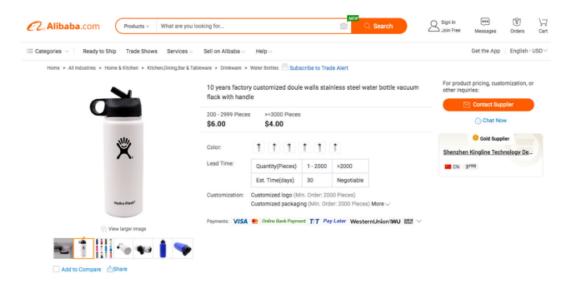
Making things particularly tricky is the fact that a single e-commerce product page may include offerings from the manufacturer as well as from many third-party sellers, some honest and some not so honest. On an e-commerce site, it's as though those back-alley and swap-meet sellers have gotten to put their wares inside the store, on the same shelf as the real goods. And product placement relies on an algorithm that can push the cheapest version to the front of the shelf.

This would be fine if all third-party sellers were committed to honest sales of authentic goods. And it's important to note again that many third-party sellers are upstanding. But with so many sellers competing for clicks, one

take to sell them—just do a search for <u>Kylie Cosmetics</u> or <u>Hydrotiask</u> on Alibaba to see barely concealed counterfeits that can be bought in bulk for a fraction of the street price.



These are clear fakes for sale on Alibaba. The lip-gloss box doesn't say Kylie, but everything else is an exact match to her company's packaging.



These are clear fakes for sale on Alibaba. The Hydro Flask logo shown here is using the wrong font.

counterfeits and would be laying off most of its US staff.

"What's sad besides consumers being ripped off is that honest sellers, people that work their butts off, are being ripped off too," says Rob Gross, co-founder and COO of <u>Fakespot</u>, a website that analyzes the veracity of customer reviews on e-commerce product pages. "They're being ripped off by the competitors, and they're being ripped off by Amazon, because Amazon's not doing enough to protect real, honest sellers."

Complaints about fakes are on the rise

The sale of counterfeit items now represents 3.3 percent of world trade, according to the Organisation for Economic Co-operation and Development, an international group with 36 member countries (including the US) that provides analysis and policy recommendations. The value of seized goods in the US (if they'd been real) was almost \$1.4 billion in 2018, according to US Customs and Border Protection. Worldwide, there have been instances of fake chargers causing electrocution deaths (PDF), phony cosmetics making a buyer's face swell up, and pet supplements sickening dogs. Immigration and Customs Enforcement and other law enforcement agencies have reported finding carcinogens, bacteria, and waste from both humans and rodents in counterfeit cosmetics. Fake chargers and cheaply-made lithium ion batteries can damage your electronics and even catch fire.

A <u>2018 GAO report</u> on counterfeits recounts that of 47 products agency employees purchased from third-party sellers with good ratings, 20 were fake, as confirmed by the intellectual property rights holders. One hundred percent of Nike Air Jordans were real. One hundred percent of Urban Decay eye primer makeup tubes were fake.



experience as many of the other previous customers. I highly doubt the tweezers I received were actual "Tweezerman" tweezers. I've used Tweezerman tweezers for over 10 years and these are thicker, bulkier and have poor grasping ability. I've included a photo. The ones on the Left are the ones I purchased her on Amazon.. the ones on the Right are the Tweezerman tweezers I've had that I was looking to replace. If you look close the ones on the Right (the ones I know are Tweezerman) have slimmer tips and have better grasping ability. Id recommend going to your local beauty supply place and getting the real thing.

Images in this review

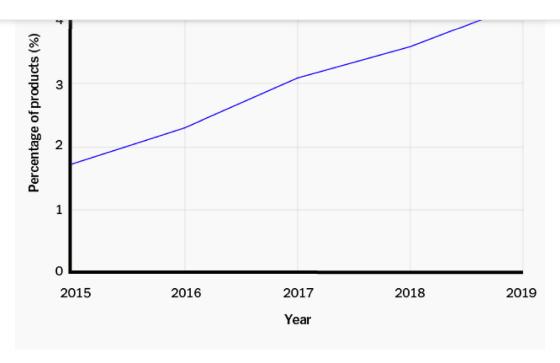
This review doesn't say "fake" or "counterfeit," but that's certainly the gist of it.





I asked Tommy Noonan, founder of <u>ReviewMeta</u>, a site that evaluates the quality of the reviews on Amazon product pages, if he would run an analysis of all reviews ReviewMeta had collected that were posted to Amazon from January 2015 through October 2019. Noonan found that products with reviews mentioning the keyword "counterfeit," "counterfiet," or "fake" were on the rise, accounting for 1.725 percent of reviews in 2015 and 4.275 percent in 2019.

"It's impossible for me (or anyone else) to accurately determine which products are counterfeit on Amazon and which aren't," Noonan emphasizes. And his analysis doesn't take into account the contextual use of the words (which could include instances such as "I love this fake houseplant!"). But his finding does provide a heuristic for whether or not discussions using these keywords have increased over the years.\(\frac{1}{2}\)



Of the reviews submitted to and analyzed by ReviewMeta from January 2015 through October 2019, mentions of the word "fake," "counterfeit," or "counterfiet" rose from 1.725 percent to 4.275 percent. Although the context of the usage was not analyzed, it shows a rise in the discussion about the words.

Fakespot's Gross says the counterfeit problem is largely concentrated on a few massive sites. "I would say the majority is happening on Amazon, eBay, and Wish—those three are pretty notorious for counterfeits," he says.

Amazon fights back

Amazon is clearly aware of the scope of the problem and is relying on technology to fight back. Given that its site scans 5 billion attempted product page changes a day, only machine learning could tackle that kind of challenge.

In addition to putting financial muscle behind <u>legal action</u> against counterfeiters, as well as more recently <u>sharing information</u> with law enforcement, <u>Amazon says</u> it has devoted "substantial amounts of time and resources" to proactively fighting counterfeits, including devoting "\$400 million in personnel and tools built on machine learning and data

help smaller brands procure early intellectual property protection; and <u>Utility Patent Neutral Evaluation</u>, a program that helps owners of a patent get knockoffs removed from Amazon without going through a lengthy and expensive legal process.

"I don't think it is enough yet, but I think it's great progress," says Fred Killingsworth, CEO of <u>Hinge Global</u>, a consulting agency that works with brands to optimize accounts on Amazon. He notes that manufacturers have not yet come up with solutions as sophisticated and comprehensive as what Amazon has implemented. However, manufacturers are also reluctant about participating in programs that not only make them more dependent on an Amazon product they have to pay for, but that give Amazon even more data about their sales.

Sumroy, the Mifold travel booster seat CEO, credits Amazon with at least trying to combat what has become an international problem. "My fear isn't Amazon, my fear is the eBays and AliExpresses and whatever crops up next," he says. Although the programs Amazon provides are more adept at stomping out copyright and trademark infringements than they are at getting rid of knockoffs, Sumroy has had success in taking down sellers who use his imagery or packaging. "We've been singularly unsuccessful with Ebay," he says. "There are no real tools with Alibaba and AliExpress, not like Amazon is trying."

How to be smarter about fakes

You can take steps to protect yourself. Take a moment before you click to buy. When you're on an e-commerce site that has a pseudonymous seller, approach the purchase with the same skepticism you would when buying something at a flea market. (Remember that this includes many items sold through Amazon Prime.) Know that what the seller has in stock may not be exactly what is pictured. Keep in mind that the seller can change when you change the zip code, color, or size on an item, so make sure you're buying from the people you want to buy from. Read any seller reviews available, as well as the reviews on the product page—but read

are authorized sellers, and that we've personally had good experiences with and can vouch for. Our reviews can advise you on how authentic products should look, feel, and perform. We're not infallible, but we'll always try our best to help ensure that you're actually getting a great product we recommend and not some bum knockoff. The burden of discerning authenticity should not be yours alone.

Footnotes

<u>1.</u> ReviewMeta's analysis included 2,509,399 products with 42,497,039 reviews in 2015, 2,544,960 products with 51,262,966 reviews in 2016, 1,241,585 products with 38,121,621 reviews in 2017, 973,724 products with 34,713,435 reviews in 2018, and 469,403 products with 23,745,568 reviews from January–October 2019. The reviews represent a percentage of what is offered on Amazon, but likely include many of the most viewed listings as the products are submitted by millions of ReviewMeta readers, according to Tommy Noonan. (ReviewMeta earns money from <u>banner ads</u> on its site.)

Further reading



7 Myths About Counterfeit Products, Debunked



What to Do If You Think Your Amazon Purchase Is a Fake



The Best Tweezers

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