

COUNTERFEIT WATCHES

— KEITH W. STRANDBERG

The woman was in tears, standing in the Cartier boutique. She had brought her prized Cartier watch in for service only to be told it couldn't be repaired. No, it wasn't broken beyond repair. It was counterfeit.

THE PROBLEM

Today's counterfeit watches are not only the \$10 fake watches everyone knows about – you expect those to break within minutes of putting them on and no one would mistake them for the real deal. No, these counterfeits are getting better and better. They are better (or should we say worse?) counterfeits than ever before and their prices are close enough to the real thing to confuse and deceive consumers. The woman in the story above thought she had purchased a real Cartier; she had paid close to the retail price, and she was devastated when she was told it was a fake.

THE IMPACT

Counterfeiting is widely considered to be a victimless crime. After all, these luxury watch brands can surely withstand the loss of a few watch sales, right? Actually, the opposite is true. The Progressive Policy Institute estimates that the global trade in counterfeit goods is \$650 billion, representing between 5-7% of the total value of global trade. In addition to hurting legitimate businesses, counterfeiting leads to the loss of government tax revenue, which means that that lost money has to be made up somewhere else. Counterfeiting is a crime with low risks, as investigation and prosecution is still evolving, and high rewards. Contrary to romantic ideals, counterfeiting isn't being done by anti-establishment hippies in the back of their house so they can get back at "the Man" – counterfeiting is an operation, more often than not, run by organized crime and may be linked to other crimes like money laundering, drug dealing and more. Factories, mostly in Southeast Asia, are cranking out the counterfeits with no real knowledge of watches and no investment into research or design. The best watch companies are the ones most likely to be counterfeited and they have the most to lose. These companies are committed to furthering the art and craft of watchmaking, so they spend many millions of dollars a year on research, development, design, manufacturing, assembly, customer service, marketing and advertising. When criminals profit from counterfeit watches, the watch companies lose, big time, and buyers of counterfeit products lose, because they don't benefit from any of that work the company has done. Sure, the watch looks similar and has the brand name on it, but the things that make a Cartier a Cartier, for example, are not present in a counterfeit.



A FAKE ROLEX, WHEN OPENED UP, BEARS LITTLE RESEMBLANCE TO THE REAL THING.

THE FAKES

The new fake watches look quite a lot like the originals. Placed side-by-side, it's usually pretty easy to tell the difference, but by themselves, it can be difficult to identify them as fakes. They don't have misspellings on the dial like the \$10 fakes – they use the same names, the same logos, the right fonts, many times they even use similar, though less quality, materials (yes, there are gold fake Rolexes out there) and the same outward designs. Inside, however, is another story. The movement is a cheap knock-off, most probably made in Asia somewhere, whereas high-end watch companies use only the best Swiss movements, the highest-quality components with the strictest quality control. If you buy a counterfeit watch, you are not only funding criminal activity, you are cheating yourself out of the pleasure of owning a fine watch with true heritage, well thought-out design and real innovation.

WHAT YOU CAN DO

First off, don't buy a watch from someone you don't know or trust. Buy your watches only through authorized retailers or established auction houses. Buying anywhere else is a risk. It's happened many times – a watch sold on Internet is purchased by a legitimate buyer. When that buyer takes his watch to a retailer to have it serviced, the manufacturer researches the serial number and tells the retailer to seize the watch because it is stolen. The watch is returned to the original owner and the person who bought it on Internet is out the purchase price. On the Internet, it's definitely "buyer beware" – very few watch companies allow the sale of their watches on the Internet and NO high-end watch brands permit their retailers to sell via the web.

Bottom line, if a deal sounds too good to be true, it probably is. Walk away. We buy watches for a number of reasons – for how they feel on our wrists, how they make us feel and for the statement they make to other people. If you buy a counterfeit watch, what does that say about you?



COUNTERFEIT WATCH OPERATIONS IN SOUTHEAST ASIA AND SEIZED COUNTERFEIT WATCHES BEING DESTROYED IN DUBAI.