

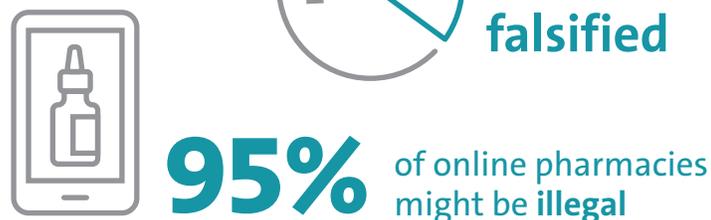
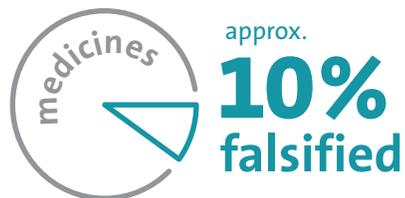
Counterfeit Products and Social Media



The past two decades have seen widespread growth of both counterfeiting and social media. This has led counterfeiters to promote their wares on social media. Such trends have become more prevalent during the COVID-19 pandemic. They can be particularly dangerous for health care goods. Underwriters Laboratories' second Anti-counterfeiting Research Symposium explored the roles of social media in promoting counterfeit goods.

Social Media and Illegally Traded Medicines

The illegal trade of medicines exceeds \$75 billion per year. The World Health organization estimates 10 percent of all medicines are falsified. The illegal trade of medicines has grown with the number of online pharmacies, 95 percent of which may be illegal.

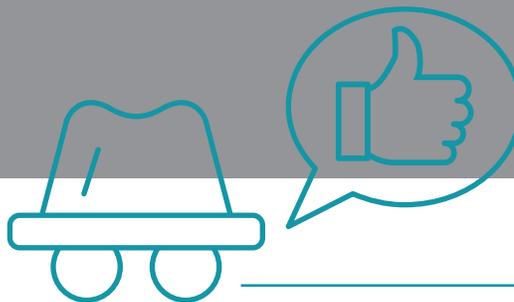


It has also grown with the use of social media. Both legitimate and illegitimate businesses use social media to reach their customers. Research on how illegitimate businesses reach customers on social media has been lacking. **Gabriele Baratto of the University of Trento** has sought to fill this gap with research on how to prevent the illegal trade of medicines, including counterfeit ones.

Baratto discussed situational crime prevention measures that social media platforms have introduced to identify, block, and remove content linked to illegally traded medicines. Such measures are promising, but little, he said, is known about their effectiveness.

Among the most prominent illegally traded medicines on social media, Baratto found, are those for treating erectile dysfunction, enhancing bodybuilder performance, and losing weight. The most common content for illegally traded medicines is links to websites or personal contact information for sellers. Links to personal contact information, Baratto added, can help sellers avoid detection. Sellers may also tout “natural products” with illegal active ingredients to avoid detection.

Baratto has found that situational crime prevention measures, particularly when correctly implemented, have had some impact on the illegal trade of medicines. He suggested that they “be more homogeneously implemented” by social media, “targeting all products in a category, all medicines, all names, and all languages.” At the same time, he noted, these tactics must change as traders shift their tactics.



“Dupe” Influencers

Another area of growth from the intersection of social media and counterfeit goods has been “dupe” influencers. Dupe influencers, that is, individuals with social media followings who share links to and review counterfeit goods, use many of the same **tactics** that legitimate influencers do. These, **Christina Mitropoulos** found in research for the **American Apparel and Footwear Association (AAFA)**, include

- Unboxing videos, “where influencers showcase their packages and mostly gifted goods via carefully crafted videos”
- Dupe hauls, in which dupe influencers “show off the latest batch of counterfeits that they’ve purchased or have been gifted”
- Sponsorships, where counterfeiters pay for promotion
- Giveaways by influencers of promotional codes
- Tutorial videos by dupe influencers teaching their followers how to find popular counterfeit items online
- Influencer shopping apps to streamline purchases.

Many of these tactics are used by legitimate influencers to promote legitimate products. To counter the illegitimate use of such tactics, the AAFA offers **five recommendations**. These are

- 1** Platforms must continue to clean up their sites. This includes strict enforcement of the terms of service.
- 2** Platforms should block #designerdupe and related hashtags. Many have begun to do so but this tactic, too, must change as hashtags change.
- 3** Platforms must terminate the accounts of dupe influencers who repeatedly promote counterfeits. Terms of service typically prohibit dupe influencer activities, allowing prompt termination of such accounts.
- 4** Dupe influencers need to improve their product disclaimers. In many cases, Mitropoulos said, “dupe influencers don’t actually have a full understanding of what a counterfeit is, or they aren’t aware of how they could be potentially committing a federal crime by facilitating” trade in counterfeit goods.
- 5** Consumers need more information about the reach of counterfeits. This includes, Mitropoulos said, regarding “the dangers associated with the purchase of counterfeit goods online.”

Changes in Online Marketing

Other experts agree that online trade in counterfeit goods changes over time. Sellers of counterfeit goods, **Dan Burke of the U.S. Food and Drug Administration (FDA)** said, adapt to their customers. “Usually they’re jumping from one platform to the other,” he said, to “wherever they have more consumers or where people are demanding more counterfeit products.” One area of recent growth, Burke said, is in domestic counterfeiting of drugs in the United States.

Enforcement efforts are adapting as well. **Lisa Deere of UL** noted efforts to build cases against infringers based on unboxing videos. She added that “e-commerce platforms are a little bit further along when it comes to shutting down pages” than social media sites are. In part, this is because of the greater restrictions placed on users of e-commerce sites, including requirements for more information.

Some enforcement teams are “working only on online crime offenses related to intellectual property rights,” said **Bogdan Cîinaru of Europol**. This has included creating open source intelligence reports and monitoring the counts of competitors selling counterfeit goods. Europol has also issued early warning notifications for member states about online counterfeiting activities.

Researchers and practitioners agree on the need for platforms to do more to police themselves. “The FDA is trying to ramp up the pressure and keep that pressure on,” said Burke. But, he added, “It’s not the government’s job to police those platforms.” The platforms “have to be held accountable for what’s on their” sites.