Many organizations have come to realize that a first line of defense against counterfeiting of their brands lies with a speedy change in processes, products, and packaging used to make their products available in the global marketplace. Based on industry experience, this backgrounder provides lessons on the roles of packaging in protecting products and brands, and on the strategic processes involved in responding to counterfeiting incidents.

It is never pleasant when you discover one or more of your branded products has fallen victim to the scourge of counterfeiters. It is not uncommon to feel emotionally drained once you realize your company has been compromised. You struggle to understand why and that feeling of confusion comes over you as you try to determine what you can do about it. Take heart, what you are feeling is not new, and there are some steps you can take to help you to quickly determine what you can, and should, do about it.

Understanding What Happened, and Why

Why me? Why my product? How can this happen? What can I do to stop the attack? All valid questions and all adding to the anxiety caused by this spurious activity. The truth is that counterfeiters discovered something about your product that made them feel comfortable with taking the risk. But what? To know that you have to understand what “they” did, how well “they” did it, and how “they” will react to any changes you may take in response to what you have learned. And be sure they are watching what you do, they have to be watching, and they know a lot more about you, your products, and your vulnerabilities than you do right now. But you can, and must, change that.

You need to take a brief pause and assess where you are, what you have learned, and what you need to know to take the appropriate action. Think small, think critical, think clearly, and then act with a sense of urgency and confidentiality. Getting the facts quickly will help to sort out what has happened, the first step in knowing what you can do about it. Keeping your efforts limited to a small team initially allows that team to focus on the issues you are facing and to respond to them in a timely manner. But why add the confidentiality statement to this action? Simply stated, until you understand what is happening you benefit from keeping sensitive information confined until confirmed. Each company is different and only you know the communication methods within it. Informing and involving your communication partners early in the assessment of this situation can pay dividends when upward communication to senior management is required.

Packaging – Your First Line of Defense

To appreciate how packaging defends against counterfeiting you first have to understand the many roles that it plays in getting your products to their intended market, in the intended condition, in the intended time, and with the intended message. You have spent time, energy, effort, and finances to get your product properly packaged to withstand the perils of distributing your product in the global marketplace. But have you done enough to communicate what you have done to make your product uniquely your own? Or have you fallen victim to the pressures of reducing costs by selecting readily commercially available packaging?

Understanding the Packaging You Use Today

Do you fully understand what packaging you are using for your products, where they are sourced, how they are controlled, or do you leave those details to a contract packaging operation? Experience has shown as companies grow in size and complexity their
knowledge of many details becomes clouded and difficult to manage. Packaging, in many respects, is no different with knowledge of packaging and graphics being used. Consumer packaging is very dynamic, requiring frequent changes in package and graphic design with tight time lines and often seasonal requirements. These items alone can make packaging and graphic control a daunting task. Once compromised you will find yourself forced to add new requirements for monitoring and controlling those same packaging suppliers to assure you have a safe and secure source of materials.

And what about your graphics development and artwork controls? Do you control your artwork files and keep those designs safely held within your own organization or do you trust others to handle those details for you? The more you trust others to do these activities the more you have introduced the need to put in place and monitor controls capable of protecting the confidential details of your products. And what role is your graphics playing in communicating to your customers? Do you have graphics that make it difficult for counterfeiting experts to mimic or duplicate? Are you using secure methods to control your artwork development, distribution, and monitored destruction, or do you have possible leaks in these processes and controls?

**Partnering for Success Upstream**

Partnering with your suppliers can help protect the legitimate source of packaging materials and prevent those materials from falling into the hands of those that want to obtain it. Your packaging scrap can be a valuable source of information to counterfeitters and making it more difficult or impossible to obtain will add another barrier against such activity. Do you have anti-counterfeiting language in your contracts that specify what you expect from your packaging suppliers and what actions you will take if they violate agreements that keep your product packaging safe? Working closely with your suppliers can give you an additional ally when tackling the tough stand against counterfeiting.

**Partnering for Success Downstream**

Monitoring the handling and use of your products and packaging is essential to know the effectiveness of any and all packaging structures and graphics being used now, and in the future. Using package design, graphics design, and tamper evident packaging, and monitoring the impact of those changes can help you to authenticate your packaging in the marketplace. If packaging alone is not enough you may want to add a second or third layer of protection aimed at strategically detecting when illegal activities take place with your products. Monitoring companies can assist in tracking product sales and movement using various methods proven to give insight into product handling, and mishandling, in the market today.

**Conclusion**

Responding to counterfeiting incidents is never easy. It is far better to be proactive to prevent incidents from occurring in the first place. As detailed in this backgrounder, understanding the processes involved in responding to incidents and the roles of packaging in brand protection can significantly help you in this effort.

The Michigan State University Center for Anti-Counterfeiting and Product Protection (A-CAPP) is the first and preeminent academic body focusing on the complex global issues of anti-counterfeiting and protection of all products, across all industries, and in all markets, and on strategies to effectively detect, deter, and respond to the crime. Linking industry, government, academic, and other stakeholders through interdisciplinary and translational research, education, and outreach, the A-CAPP serves as an international hub for evidence-based anti-counterfeit strategy. For more information and opportunities to partner, contact Dr. Jeremy Wilson, Director of the A-CAPP, at (517)353-9474 or jwilson@msu.edu. Additional information can also be found at [http://www.a-capp.msu.edu/index.html](http://www.a-capp.msu.edu/index.html).