

Chinese Anti-Counterfeit Efforts in China

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A-CAPPP Backgrounder

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Collaboration between Chinese and American scientists for research, teaching, and outreach on counterfeit product risk can enable more effective detection, and more important, deterrence.

The country of China is identified as the major source of counterfeit products worldwide. By some estimates, such as those by the Organisation for Economic Cooperation and Development and the World Customs Organization, it accounts for more than 70 percent of global customs seizures. Counterfeit products are a concern not just for countries purchasing counterfeit Chinese goods but even more so for the Chinese consumers, themselves, who are increasingly aware of the economic and public health risk and are pressuring their government for action. While China is the world's largest exporter, accounting for 10 percent of global trade, soaring wages have also made it the world's second largest importer. As a result, Chinese anti-counterfeiting efforts are growing, and the Chinese government is becoming more active in addressing product safety and product counterfeiting.

A-CAPPP researchers are undertaking a multi-step project to study Chinese counterfeiting. This backgrounder describes efforts to review extant literature on the problem, and to identify Chinese associations working in this area. Future work will review Chinese efforts in this area and identify opportunities for collaborative efforts.

Method

To assess Chinese research on anti-counterfeiting, we reviewed Chinese index and English-language databases from 1994 to 2011. The Chinese databases were Chinese National Knowledge Index (CNKI, the largest database for Chinese scholars), Chinese Scientific Journal Database, National Union Catalog, National Index to Chinese Newspapers & Periodicals, and Wanfang Database. The western databases were ProQuest, Dissertation ProQuest, JSTOR, Pira, Bibliography of Asia Studies, Business Complete, Criminal Justice Resources, and Newspapers & Laws. To locate research on strategy related to deterrence, specific keywords and phrases were used, such as *counterfeit*, *anti-counterfeit*, *fraud*, *brand protection*, *brand strategy*, and *intellectual property*. We selected for review literature related to particular research areas—e.g., packaging, computer science, marketing, product safety, and radio-frequency identification (also known as “RFID”); we coded each article by its topic focus.

Results and Discussion

Trends in Chinese scholarly articles that use the

word ‘anti-counterfeit’ reflect those in Western publications. The CNKI indicates strong growth in the use of this term through 2005 but a diminishing trend since then (Figure 1). Such trends are also evident in Western scholarly works when a phrase goes out of style, as when “counterfeiting” was often replaced by “intellectual property infringement,” or when more detailed terms are used, evidenced by specialized articles on brand protection, intellectual property infringement, piracy, or substandard products.



Figure 1: Articles including the phrase “Anti-Counterfeit” in the CNKI

This research identified 1,056 articles that applied to anti-counterfeiting efforts in China. Not every article that mentioned the term applied to product counterfeiting (Figure 2). Of these, the non-Chinese articles often focused on technologies rather than marketplace consumer risks and countermeasures. The news sources often focused on marketing feedback from consumers or companies. Of the academic articles, 42 percent were Chinese-language and 58 percent were English-language.

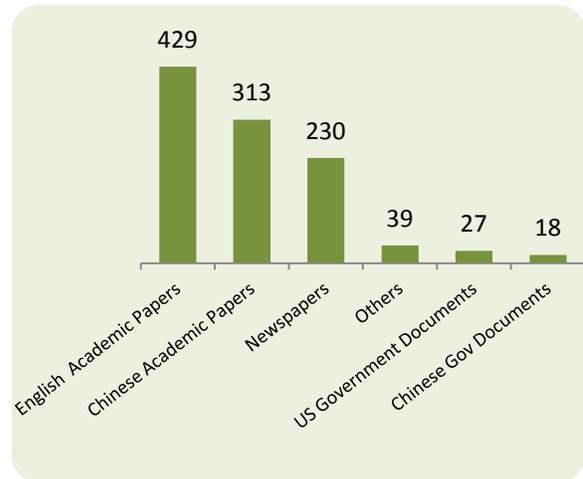


Figure 2: Distribution of articles by source on Chinese anti-counterfeit efforts (1994-2011)

The Chinese government published 18 documents; the U.S. government published 27. By topic, just 25 of the 1,056 articles (2%) focused on “anti-counterfeit strategy,” including deterrence or prevention (Figure 3). This is comparable to the global anti-counterfeiting research publication focus on news and technology rather than the underlying strategy.

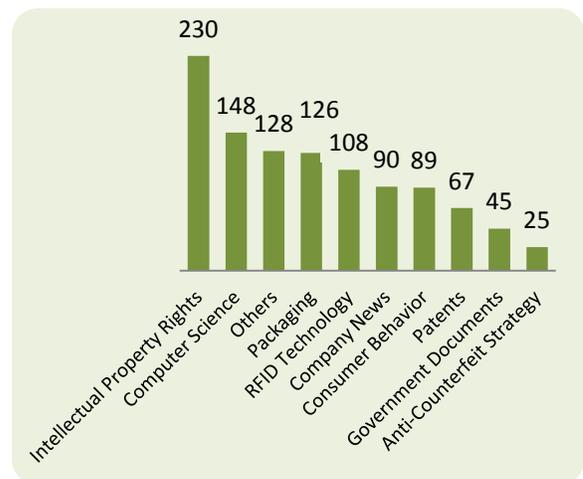


Figure 3: Anti-counterfeit articles by topic (1994-2011)

The review also included activities of associations focused on Chinese anti-counterfeiting. The official anti-counterfeit organizations are the China Trade Association for Anti-Counterfeiting (CTAAC) and China Anti-Counterfeiting Technology Association (CATA). CTAAC was established in 1995 by the government's China Quality Supervisory Bureau. It is responsible for both establishing anti-counterfeiting plans and regulations and monitoring the marketplace for counterfeit goods. CATA was also established in 1995 under the Ministry of Public Security; it evaluates anti-counterfeit technologies. Both organizations gather market information on the prevalence of counterfeiting and on the implementation of counterfeiting countermeasures.

CTAAC publishes the *China Brand and Anti-Counterfeiting* magazine and the *China Anti-Counterfeiting Report* newsletter. CATA publishes the *Brand Protection* magazine. The CTAAC magazine provides a platform for sharing insight and information on anti-counterfeiting and includes news on brand management, new products, industry updates, and technology reviews. The Chinese government has also established the National Anti-Counterfeiting Engineering Center to facilitate the development of new anti-counterfeit technologies and support their commercialization. They established the China Anti-Counterfeit Technology Award in 2006 to

encourage experts, companies, and industry to accelerate anti-counterfeit initiatives.

Conclusion

China and its citizens are increasingly aware of the economic and public health risks that counterfeit products pose. Chinese citizens are putting pressure on their government officials to address the problem. Chinese scholars, like their global counterparts, have been active in researching anti-counterfeiting but slow to pursue an interdisciplinary approach to deterrence and prevention. Chinese and American scientists have the opportunity to collaborate in advancing the understanding of the risk of product counterfeiting, to enable more effective detection, and, most importantly, to shift efforts to deterrence.

This research sought a preliminary assessment of Chinese anti-counterfeiting efforts. Its bigger goal is to identify and collaborate with anti-counterfeit strategy scholars from around the world in research, teaching, and outreach. The authors are continuing to seek feedback and insight on this collaboration. Inquiries or comments are welcomed. The next steps in the research are to review Chinese university research and curriculum in the area, to establish contact with relevant leaders and institutions in China, and to identify opportunities for joint curriculum development or presentation.



The Michigan State University Anti-Counterfeiting and Product Protection Program (A-CAPPP) 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-CAPPP serves as an international hub for evidence-based anti-counterfeit strategy. For more information and for opportunities to partner, contact Dr. Jeremy Wilson, Director of A-CAPPP at (517) 353-9474 or JWILSON@msu.edu. Additional information can also be found at <http://www.acappp.msu.edu>. For further information related to this topic, contact Dr. John Spink at (517) 381-4491 or SPINKJ@msu.edu.

BACKGROUNDER SERIES

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