



THE DIGITAL MARKETPLACE: COUNTERFEITS, CLONES AND MORE

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When consumers or businesses buy products from e-commerce sites, they usually expect to get “the real thing.” But, as many of us have likely experienced firsthand, that doesn’t always happen.

In fact, the U.S. Government Accountability Office conducted a [study](#) last year that provided some insight into the magnitude of the online counterfeit problem. It found that nearly half (20 of 47) of items it purchased from third-party sellers on popular ecommerce websites were fake.

Businesses and consumers are just as likely to purchase counterfeit products as any government agency and this is particularly problematic with printer ink and toner. Indeed, the amount of total counterfeiting globally is expected to reach \$1.82 trillion by 2020 according to [ResearchandMarkets](#). The average monetary loss is currently \$350 per individual victim of counterfeiting, notes a Better Business Bureau [report](#).

So, what’s the problem? First, counterfeit ink and toner cartridges frequently end up in landfills while originals can be recycled — so there is a clear sustainability value proposition to investing in the original. These original cartridges are much more likely to be recycled as part of a circular economy and re-enter the supply chain to be used again. For instance, HP has converted [more than 199 million pounds of recycled plastic](#) into 3.9 billion HP Original ink and toner cartridges since 2000.

Keeping Bad Products Out of the Digital Marketplace, Upstream and Downstream

For channel partners, it’s important to advise clients about the importance of using genuine products. That’s certainly a priority for the executive branch of the government, which ordered a crackdown on counterfeit products in online marketplaces earlier this year. This means the U.S. Department of Homeland Security, Commerce Department and Justice Department must provide recommendations before the end of the year on how the government can monitor, tackle and police the problem.

Things are getting more complicated, though. We have observed that counterfeit goods manufacturers in a few countries are shipping component parts to other places for assembly and distribution. This makes the illicit supply chain more difficult to hunt down and hinder.

Despite best efforts, it’s almost impossible to keep everything from slipping past these checkpoints and into channel partners’ own supply chains. Over time, it’s possible channel partners who don’t know the signs to look for will start to receive an increased stream of complaints from customers affected by these fakes.

Innovating for Protection

Technology innovations can help with keeping the digital marketplace free from counterfeits. Today, for example, we already use [security labels with holographic features](#) and scannable QR codes on the packaging that partners can check to identify the authenticity of printing products and supplies. Consumers can double-check that they have received legitimate products after-the-fact by checking the security labels, too.

Securing the Supply Chain

Ecommerce marketplaces have policies stating that third-party products from non-vendor partners must be identified as such by description, image use, and notations that they are “vendor-compatible” or “remanufactured” rather than originally sourced. Another concern is that these parties will [hijack reviews](#) of legitimate HP products to [pump up their own ratings](#). But marketplace operators don’t always actively enforce policies around fair use for us or other manufacturers. It typically falls to the vendor to find and bring listing violations to their attention to protect all legitimate parties in the supply chain.

[HP is doing its part](#) as well and encouraging partners to do the same. For example, we actually have a “countering-counterfeits” process where we help customs officials learn new ways to identify and intercept huge consignments of counterfeit goods coming into the country. We also work with various law enforcement agencies to follow the counterfeit trail upstream in efforts to find the manufacturing source.

Beating the Cheats Together

HP partners can take action through [programs](#) offered by HP. For one, we offer extensive training from our dedicated anti-counterfeit and fraud program experts to become savvier at assessing potential counterfeit products that make their way into their warehouses.

Customer can also [contact us](#) when they suspect a shipment might include counterfeit products. We recognize these orders are often so large that it’s almost impossible to check each and every individual product in them. So, HP often lends a helping hand. For instance, in these situations, customers can request a Customer Delivery Inspection (CDI) where product experts will come to their location and work to verify the legitimacy — or not — of a shipment.

Based on our experience, consumer and business buyers are more likely to gravitate to certified partners. There’s a sense of security when buying from approved sources. That’s one of the key reasons why we certify our channel partners as legitimate providers through unscheduled stock audits at their sites.

Our partners can expect us to keep tabs. We’re in each other’s corners and together we can beat the cheats.