



WHITLAM GROUP

Authentication



Counterfeiting is one of the biggest challenges brand owners and manufacturers face.

Brand owners all over the world have changed their packaging to include authentication features to help eliminate counterfeiting, theft, and tampering.

Authentication labels incorporate a combination of security feature that can be overt (visible) or covert (not visible) to help differentiate between authentic and counterfeit products. These labels can be nearly impossible to replicate making it easy to identify a fake product. Security features built into a products labeling can be checked at any point within the supply chain by brand-owners, employers, delivery workers, government officials, and consumers.

Counterfeiters are the most significant competitors in most markets. Extensive copyright piracy and trademark counterfeiting had caused significant financial losses for U.S. businesses and pose a serious risk to consumers health and safety.

Stats

- Counterfeit and pirated goods is a half-trillion-dollar industry and increasing
- Every year counterfeit goods, private goods, and theft cost the American economy as much as \$600 billion a year
- The counterfeit and pirated goods market has risen steadily in the past few years and as of 2019 it was 3.3% of the world trade



History to Today

Counterfeit and pirated goods have been sold for years on street corners, in alleys, from trunks of cars, and from dishonest physical markets. Some “red flags” that might indicate the selling of a counterfeit product include suspicious location of seller, poor quality packaging, or significantly discounted prices.



With the rapid growth of online shopping platforms, there has been a significant growth opportunity for the counterfeit and pirated goods industries. Now consumers shopping online are at risk of purchasing counterfeit products without even knowing because the “red flags” have diminished and cannot tell if a product is counterfeit or genuine.

Online, counterfeit sellers may use the same pictures of the authentic product but the product within could be illegitimate making it hard for consumers to tell if a product is real or fake before purchasing.



Social media has created another open door for counterfeit sellers. Counterfeit sellers set up accounts on social media platforms and use posts or targeted ad campaigns to advertise their counterfeit products. These posts and advertisements look to be authentic because they are often developed using the same or similar images, hashtags, keywords, phrases, and logos for the legitimate product.

Why this is a Problem

Counterfeit products can be very dangerous to consumers. These products are typically not made to the same standards which can result in devastating accidents, mechanical malfunctions, and health and safety risks.

Brands can face a devastating loss of revenue from the selling of counterfeit products. Manufacturers and Wholesalers face the risk of lawsuits, liability costs, expensive recalls. Even if retailers are unaware that they are selling a counterfeited product they are still held accountable. Unfortunately, when counterfeit sellers are in another country, there is little risk of criminal prosecution or civil liability under current law enforcement and regulatory practices.

Counterfeit products that are bought the most by consumers, with and without their knowledge, include:



Automotive Parts



Power Tools



Electrical Products



Games



Pharmaceuticals



Baby Formula



Toys



Clothes



Shoes



Accessories



Cosmetics



Outdoor Equipment

Solutions

Multiple overt and covert security features can be combined for multi-layered anti-counterfeit solution. The more security features built into a products label or packaging the harder it will be to replicate your product and the easier it will be for brands and consumers to tell the difference between an authentic product and a counterfeit product.

Overt Authentication

Overt Authentication solutions include features that are built into a label or packaging design that are visible and show dynamic visual effect. Some solutions can include:

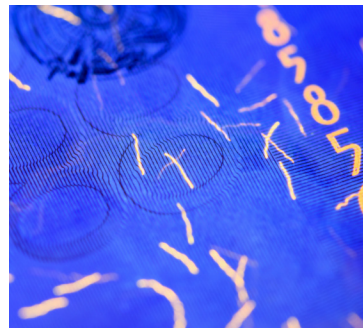
- Encrypted serialization & barcodes
- Specialty Inks
- Holograms
- Watermarks
- Embossing
- Tamper-Evident Film



Covert Authentication

Covert Authentication solutions include features that are not visible to the human eye. To verify these features you would need special lighting, magnification, special technology, and software. Some solutions can include:

- Hidden images that can only be seen with a special light/magnification.
- Markers or Taggants
- Retro-reflective technology
- Hidden barcodes or serial codes
- Digital and web authentication
- Optical Variable Devices



Tamper Indicating Technology

Tamper-evident or tamper-resistant labels are used to indicate or prevent alteration by tampering and/or to indicate that a product is genuine and safe to use. Characteristics of tamper-evident labels can include the use of self-destructible materials that can change appearance or be destroyed when tampered with.

Tamper resistant labels have been used for years in Pharmaceuticals, Electronics, Automotive, and Medical Devices. In recent years that has been a growing need for Tamper resistant labels on products in more industries such as Food and Beverage, Retail, Restaurant, Hospitality, Health and Beauty, and more!



Track and Trace Technology

Track and trace systems are unique product identification solutions that can be applied covertly and overtly to individual products, cases, pallets, or shipping containers. The unique markers can be scanned at any point with the information being uploaded to centrally located data management systems. Brand owners and enforcement teams can access these information systems at any time to track and authenticate their products at any point in the supply chain, from production to the retail shelf. Some technology even allows consumers to use track and trace technology to ensure the product they purchased is authentic.



Benefits of Adding Security Features to Product Labels

- End user verification
- Builds customer confidence and brand loyalty
- Control of parallel trade
- Early detection of counterfeits or diverted product in a supply chain
- Deterrent to counterfeiters
- Ability to have targeted product recalls
- Return and warranty verification

Taking It One Step Further with Technology

Some printed security methods can be combined with high-tech solutions to help authenticate, detect counterfeit or tampering, or track and trace products. Solutions can include high-tech scanners that will detect special inks or scan barcodes. Or apps that can be downloaded on any smart phone. Each high-tech solution is unique and custom to the preferred method of verification.

How to get Started

Protecting your brand by using implementing security features in your labels and packaging is important. It helps with verifying that products being sold to consumers are authentic and builds consumer confidence and brand loyalty.

If you think that having a authentication label on your product can help your brand and stop counterfeit parts from being sold here are a few simple steps to get started:

1. Identify the threat to be addressed
2. Determine who will be involved in detecting fraud (experts, employees, consumers, etc.)
3. Agree on the strength and cost of the security features you want (design and printing of security labels, and technology for verification if needed).
4. Execute the project and validate the security choices
5. Implement the solution

Sources:

- [https://ustr.gov/sites/default/files/files/Press/Releases/2020%20Review%20of%20Notorious%20Markets%20for%20Counterfeiting%20and%20Piracy%20\(final\).pdf](https://ustr.gov/sites/default/files/files/Press/Releases/2020%20Review%20of%20Notorious%20Markets%20for%20Counterfeiting%20and%20Piracy%20(final).pdf)
- <https://www.oecd.org/newsroom/trade-in-fake-goods-is-now-33-of-world-trade-and-rising.htm>

Memberships and Affiliations



Certifications



About Whitlam Group

Whitlam Group is a leader of engineered label solutions and functional parts, solving complex label challenges for the world's largest corporations. Serving the automotive, industrial and consumer goods market for over sixty years, as a strategic partner. We understand the needs and processes of our customers and we proactively help them to achieve their objectives.

Learn more at www.whitlam.com



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