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£800 million lost to e-fencing
Qanik

[E-fencing on the Rise in the UK](#)

Be wary of fake merchandise

The value of all the fake goods that are sold or auctioned online in the UK is of approximately £800 million per year. This is called e-fencing and it means that counterfeit or illegal goods are put out for auction on various specialized sites. These figures were brought to light by a study conducted by DLA Piper, a company that specializes in online intellectual property infringement, and ComSec International, a provider of corporate online security. If you think that £800 million is a lot of money, you are by all means right, not to mention that you end up paying for something that is basically worthless. The troubling part is that in 2008, e-fencing has increased twofold compared to the past three years. An estimated 5% of all money exchanging hands at online auction sites is related to fake goods and merchandise. There are some items that are obvious fakes and consequently the site does take them out of the auction. These are things such as electronic equipment, cosmetics, fashion related items, sports related goods and motor equipment. But there are the so called "gray market items" that are imported at incredibly low cost and then auctioned off for a huge profit. With more and more people deciding to go online to make their purchases, it is easy to see why e-fencing is on the rise. In a traditional auction, the counterfeiter would have probably been spotted and his merchandise declared a fake; online auctions on the other hand allow him to sell his goods in a more direct and discrete manner. It is not uncommon for someone who engages in e-fencing to earn as much as £20,000 per month; some make as much as £1 million per year. Simon Levine, head of DLA Piper, comments on the matter: "Counterfeit goods dilute the value of brands, undermine the integrity of auction sites and ultimately cost the UK economy millions of pounds in lost income. But this is not just about protecting brand owners - it's for the consumer's benefit also. If you invest your trust and money in a brand you want to know you're getting the real thing, whether that's make up and cosmetics or domestic appliances and children's toys". Auction sites have taken measure to prevent e-fencing, but it is also up to you, the buyer, to do something about it. First of all, be cautious of any bargain that seems too good to be true; secondly, if you think you have spotted a fake or illegal item, contact the site's administrators and let them know about that.