

## **“P.V.O” -a solution to brand piracy**

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### **Keywords**

Brand Piracy, Mumbai, Counterfeiting, Point of Sale, Cipher Text.

### **Abstract**

This research paper attempts to provide solution to Brand Piracy in the market. This research is based on primary data collected from randomly selected samples of 500 consumers from various places in Mumbai City District. Counterfeiting & Piracy is the problem of product security. Duplication based on copying of labels, packaging, instructions, and information are very commonly used method for counterfeiting & Piracy. As globalization and economic integration bringing countries together, exchanges of technologies has started to show its implications on world trade. Intense competition in market, is keeping entrepreneurs on their toes. Innovation and low price seems to be the correct strategy mix to capture maximum market demand. Attractive packaging, special offers, after sell services etc... are some other examples of it. Based on the primary data collected on consumer behavior from “Mumbai City District” by the researcher, this paper attempts to provide solution to identify the duplicate commodity in the market at “Point of Sale” state.

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### **Introduction**

“If you live for having it all, what you have is never enough.”

‘Vicki Robin’ (1992)

These words by a social inventor and writer, who wrote New York’s, very famous best seller book, “Your Money of Your Life”, helps in expressing one of the key and fundamental principle of economics - ‘Wants are unlimited, and resources to fulfill them are limited.’ Human behavior always seems to follow certain wants in life, after their fulfillment, new wants takes their place and this whole thing circles again. That’s why ‘consumer’ is an important part of economic activities, consumers has the power to influence demand and supply in economy.

### **What is Counterfeiting and Piracy?**

Product counterfeiting is a form of consumer fraud. A counterfeit is an imitation, usually made with intent of deceiving others for genuine goods. Such goods are produced with intention of taking advantage of superior value of limited product. It is form of copyright violation. Product counterfeiting is usually an organized group activity. Counterfeiting product may include - Product with correct ingredients but expired active ingredients, Wrong ingredients with toxic elements, similar class of cheaper ingredients, Produced by unhygienic manufacturer, Products with false or misleading packaging etc...

Counterfeit products are often dangerous products. Counterfeit Toys producers have no worries about choking hazards or paint toxicity. Counterfeit auto parts are not tested for safety. Counterfeit batteries and cigarette lighters can explode. Counterfeit medicines need not contain any active ingredient at all, or they could sustain substandard dose. Electronic goods are one of the most commonly counterfeited products. In apparels sections clothing’s, accessories, shoes, designer handbags are commonly counterfeited products. Counterfeiting is a serious crime. The various statutes governing Intellectual Property Rights recognize such activity as an offence and provide strict punishment.

## **Purpose of the Study**

1. To understand consumers perception towards availability of duplicate products in market.
2. To suggest a measure to combat the problem of Brand Piracy.

## **Methodology**

The random sampling method was used for the study of the consumers. The sample size studied was 500 consumers from Mumbai City District belonging to different income groups. The primary data was collected from the consumers of Mumbai City District. By keeping BASCAP (Business Action to Stop Counterfeiting and Piracy) survey in focus, a set of Questionnaire was prepared. Data processing constitutes of recording, editing, classification and tabulation of data. As per the requirements of the study related statistical methods were used for the analysis of data.

## **Findings**

Field analysis of 500 consumers, revealed many facts about the consumers' perception towards the availability of duplicate goods in the market. It was strongly observed that consumers do get deceived by the sellers for the branded goods. There is a lack of good purchasing habits (like purchasing original commodity, asking for tax invoice, checking authenticity marks personally etc...) among the people of Mumbai City. However, 90% consumers were found complaining about the lack of resources for checking the originality of the product that they have purchased. This research strongly recommends the establishment of 'PVOs' i.e. Product Verification Outlets at convenient places where consumers will have very easy access to it.

## **P.V.O.- A Solution to Brand Piracy**

The problem of Counterfeiting and Piracy need to be addressed very early. Looking at the magnitude and growth of 'Counterfeiting and Piracy' in economy, neither government nor individual producers can afford to relax against this. The scope suggests that total eradication of Counterfeiting and Piracy problem is not under control of an individual section in society. It demands combined efforts from consumer, producers and government or its related organizations to limit the scope of such commodities in market.

During research it was revealed that the consumer's at various different places found complaining about the lack of resources for checking the originality of the product that they have purchased. The establishment of 'P.V.O.s' i.e. Product Verification Outlets will help to provide a stage where consumers can check the authenticity of the products they have purchased.

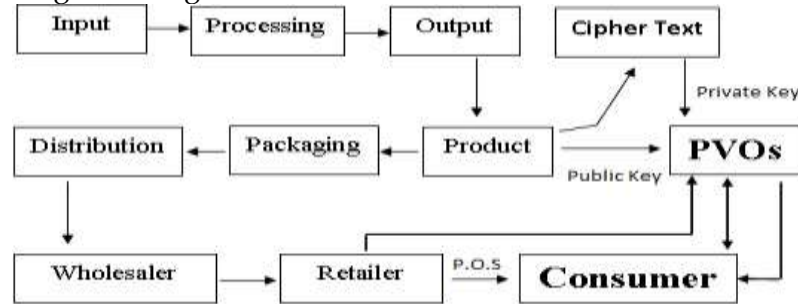
## **Nature of P.V.O.**

Product Verification Outlets will be the centers which can be established by an individual firm or by the group of companies those who sell identical goods in the market. The expenses for the PVO will be shared between consumers and the individual firm or by the group of firms. Consumer can get authenticity checked of the new product that they have purchased or owns by paying nominal fee. If product passes the authenticity check then the certificate will be issued by P.V.O on behalf of company.

## **Functioning of P.V.O.**

Function of PVOs will start at Point of Sale (P.O.S) stage of the product. This suggests that the verification of product can be done by the seller before purchase, especially on request

of consumers or after purchase by the consumers. The process of product authentication check is explained with following flow diagram -



Authentication of the product will be checked by the PVO by using “Asymmetric Cryptography Method”<sup>1</sup> Under this method every producer will give “Two Unique Key Codes” to its product.

1. Public code which will be printed on product.
2. Private code which will be given to PVO by Production Company before a batch of the product gets into market; it will be kept secret by the company as well as by PVO.

If any product comes to verification, PVO will match both public and private keys which will display production details about the product. If product is found legitimate, PVO will provide authenticity certificate to consumer. These Unique codes will remain activated till the expiry date of the product and after expiry date, it will not allow verification of the product which will help in reducing the sale of such products.

### Features of P.V.O.

1. P V O's are only verification outlets which will provide authenticity certificate on behalf of company.
2. PVO will not have direct access to companies' undisclosed information.
3. In case of legal disputes certificate issued by PVO will be considered as authentic document provided on behalf of company. (This requires amendments in existing law)
4. Cost of Product authentication will be shared between consumers and company.
5. PVO will work for all branded goods.

### Benefits of PVO's

#### A. Benefits for Producers -

1. Establishment of PVO will generate good brand image of company in market.
2. It will help in increasing demand for the product.
3. PVO's will able to trace availability of duplicate goods in market which will help company to do required changes in their strategy.
4. Consumers' feedback at PVO will help companies to improve their services.
5. PVO will help to bring transparency in companies' production, sell and distribution.

#### B. Benefits for Consumers -

1. Consumers can have direct access to the authenticity check of the product they have purchased.
2. PVO will make sure that consumers will always have access to original product.
3. PVO will help consumers from getting deceived by the sellers.
4. Authentication certificate provided by PVO can be used for further transactions of products.

5. PVO's authentication largely depends on product information rather than contains in the product. This will increase consumer safety as they can check product even before its use. If product found duplicate then, consumers' can replace it from seller or can file complaint against the seller.

### Limitations of PVO's

1. PVO can only verify the authenticity of the product based on the given information by the producer.
2. Use of modern technology for PVO can increase its establishment cost.
3. PVO is functional only for packaged product any product that get sold in loose will not be traceable under PVO.
4. PVO's on their own will not have any rights to take action against such product or producers.

However the main function of PVO's is to provide guarantee to the consumers about authenticity of their purchase. This will certainly ensures that consumers will always have access to the original products. It will create good brand image in market which will positively affect the sale of a company.

### Conclusion

Overall all complete eradication of piracy from economy is the ultimate challenge that economies are facing now a days. Proper co-operation among the government and non-government parties will able to provide cleaner path for future. Self-responsibility among buyers and sellers will able to reduce the scope of counterfeiting and piracy in market. Support to various national and international organizations will able to provide platform for hurdle free market operations in near future. Simply telling people to let go the consumption of duplicate goods is not going to work well, its consumers' self-responsibility to behave ethically and not demand to counterfeiting and pirated goods in the market.

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