



Panel

Jason Rocker – Spokesperson, U.S. Golf Manufacturers Anti-Counterfeiting Working Group

Wayne Mack – Counsel, U.S. Golf Manufacturers Anti-Counterfeiting Working Group

Steve Gingrich – VP of Global Legal Enforcement, Srixon / Cleveland Golf / XXIO

Jud Hawken – Associate General Counsel, PING

Sonia Lari – Associate Intellectual Property Counsel, Callaway Golf

Lisa Rogan – Director of Trademarks and Brand Protection, Acushnet

Made up of four of the most well-known golf companies in the world, the U.S. Golf Manufacturers Anti-Counterfeiting Working Group has worked with international law enforcement to seize over a million counterfeit golf products and shut down hundreds of websites selling counterfeit merchandise. The group was formed in 2004, and its members recently joined a panel discussion, where they spoke about their efforts over the last 10+ years and about the future of the industry’s fight against fakes.

Jason Rocker, U.S. Golf Manufacturers Anti-Counterfeiting Working Group: Education is one of the group’s primary functions along with enforcement – what are some of the largest misconceptions as it relates to counterfeit products, and specifically counterfeit golf products?

Wayne Mack, U.S. Golf Manufacturers Anti-Counterfeiting Working Group:

The biggest misconception when it comes to consumers is that if they pay good money for something then it must be real. The counterfeiters are well-funded, unethical and pretty intelligent in the way that they try to trick the consumer into buying fake products.

Steve Gingrich, Srixon / Cleveland Golf / XXIO: And with that comes their ability to truly study and understand the golf consumer. These golf consumers, at least the majority of the time, are smart enough to realize that if something’s half off, the deal is too good to be true. But if they offer about 20 percent off, consumers may think it’s just a marketing discount. Unfortunately, there are many websites out there now that are only offering 20-30 percent off a club and it’s not real, so the consumer is being taken advantage of after paying a lot of money for products that they could’ve gotten for real.

Rocker: It is hard to put ourselves in the mind of consumers, but obviously you guys have talked to a lot of consumers. In your experience, how much, if at all, do you think a consumer thinks about counterfeiting when they’re buying online?

Sonia Lari, Callaway Golf Company: I think a majority of consumers are generally shocked when they purchase counterfeit goods. They think they’re getting the same product, maybe a little less quality, for a much better deal. Sometimes the counterfeit websites will use terms like gently-used or just put a minimal discount so consumers think they’re just getting the same product at a better deal. But the cosmetics of these counterfeit products are also shockingly similar to our versions so they don’t realize that despite the similarity of outward appearance, the performance enhancing technologies aren’t there and the materials used aren’t there. We, as golf manufacturing companies, spend millions of dollars on R&D. The counterfeiters spend zero.

Rocker: Has anyone in the group ever talked to a consumer who says: “I knew they were counterfeit. I just thought: ‘what’s the difference?’” Is there a group of consumers out there that might have an understanding of it, but just doesn’t care?

Gingrich: I’d agree 100 percent. That’s accurate. I believe consumers knowingly purchase fashion-based counterfeits, but I do not believe that customers knowingly purchase counterfeit golf equipment where performance is a key factor in the purchasing decision. You do have people who are just looking for a deal as a gift, but I don’t think that’s as prevalent today as it was in the past.

Brands Represented



“[...] the burgeoning counterfeit industry is supporting terrorist groups and members of organized crime syndicates that fund illicit and deadly activities through counterfeit operations. I think if consumers could understand and see where those dollars are going, then they’d have a different perspective.”

Rocker: If you were talking to one of those consumers who had knowingly purchased the counterfeit products, what would you say to them? How would you convince them that they aren’t the same and that you get what you pay for?

Gingrich: We have to do more than educate consumers how to avoid counterfeit goods. We need to educate them on why they should avoid counterfeit products from a safety perspective, as well as the fact that the burgeoning counterfeit industry is supporting terrorist groups and members of organized crime syndicates that fund illicit and deadly activities through counterfeit operations. I think if consumers could understand and see where those dollars are going, then they’d have a different perspective.

Rocker: Does the group have any influence over what cases are pursued or what cases are not pursued?

Jud Hawken, PING: We work with our counsel in China, and they already have an understanding of our goals in terms of enforcement over there to identify hot spots that are chief among our concerns as far as volumes of counterfeits and such. Through our counsel and with Wayne Mack, we determine which we want to focus on and which ones might either lead to a dead end or fail to support the overall goals of where we’re trying to go.

Rocker: At what point in the process does the group join and who identifies those counterfeit operations?

Lari: Our law firm works with investigators over in China and they look for raid targets. Once they identify a potential raid target, they reach out to the group members and we ensure that it’s not an authorized facility. Once we confirm that and we agree to pursue the raid, the Chinese firm takes action quickly. We join the process fairly early in the overall process.

Rocker: And how long does that typically take, from the point where you’ve identified a potential counterfeit operation to when that merchandise is confiscated and then ultimately the criminal prosecution of those counterfeiters?

Gingrich: I don’t believe you can give a timeline average because there are so many variables in each investigation. I believe it would be fair to estimate most investigations with multiple locations are six to eight weeks from beginning surveillance of suspects to recovering evidence. The filing of criminal charges and prosecution could be from six months to a year.

Rocker: Brands sometimes get chastised for manufacturing in China. How do you respond to that?

Hawken: I think sometimes we just kind of remind people that we live in a global economy nowadays and a lot of the products they have – not just golf equipment – have to deal with this. We’re proud that we still employ workers here in the U.S. at our factory and assemble the clubs here, but it’s a worldwide market and we’re delivering high-tech products to consumers all over the world. Our resources to build and provide those clubs need to be diverse as well. That’s the only answer you can really give people is that they need to kind of step into the modern age of how things work.

Rocker: In closing, I’d love to get some final thoughts from some folks if there’s anything that anyone thinks we missed or something that you’d like to add.

Gingrich: We have to start getting our hands around the scale of this problem, but the unfortunate part is that you can’t turn a blind eye to this. You have to continue to let counterfeiters know that you’re there and that you’re serious and that you’re not going to tolerate it.

Hawken: I think we’re having a big impact on the problem and I think we are seeing a decline in overall ability of counterfeiters to blatantly violate intellectual property rights. Yes, some of the activity is being driven underground, but overall I could confidently say that we’ve had a strong impact and that we will continue to do so. I think the next level of success for us is going to be measured in how we can cut off the demand for the counterfeit goods by really having the consuming public take a stand and say we can’t buy this stuff anymore because of what it supports and the quality and safety issues behind it. If we can successfully take this next step in terms of cutting the demand, I think we can drive the counterfeit golf game out of business as a direct result of the impact the group is having. I think we’re headed in the right direction. We’ve made a lot of great progress.

