

China takes knock-offs to a new level, copying entire stores

By Calum MacLeod, USA TODAY

BEIJING — In millenniums past, China developed the compass, gunpowder and papermaking, among multiple inventions that have shaped world history. In recent years, it has grown infamous as counterfeit central, from fake films to bootleg bags, and from Disney characters to DuPont chemicals.

Now some business people here are copying not just the products of hot Western brands, but the entire store, too. In the southwest China city of Kunming, officials found five Apple stores last month, including one near flawless "branch," yet none were authorized by the U.S. electronics company. Another fake Apple store operates in Chongqing City, the [China Daily](#) newspaper reported.

A photo exposé posted by an American expatriate blogger in Kunming recently became a global Internet sensation and prompted the government's own belated inspection. For those in the front-line fight against China's pirates, these bad apples taste all too familiar.

"You get everything from McDonald's and Starbucks lookalikes to whole hotels copied," says [Chris Bailey](#), a China-based executive at intellectual property consultancy firm Rouse. "It's pretty normal, not just the look and decoration but ... fake certificates too, and good enough to fool people," he says. And why so brazen? "The penalties don't outweigh the benefits."

Last week, an entrepreneur in the southern city of Zhongshan faced trial for running an Abercrombie & Fitch store, packed with fake merchandise, reported the *Zhongshan Daily* newspaper. The U.S. clothing company has yet

to open a China store. China's market remains chaotic and counterfeiters still reap large profits, says Beijing intellectual property lawyer Han Fei.

"The government must educate the public to buy less fakes, improve overall moral quality, and revise the laws to raise fines," he says.



By Bill Dermody, USA TODAY

A fake Starbucks in Beijing, China.

China is well-known for counterfeiting. For decades, it has exported knock-offs of high-end designer bags such as Fendi, [Louis Vuitton](#) and Coach, as well as fake Rolex and Omega watches and cigarette brands such as Marlboro. Pirated DVDs of American films can be bought on streets and the Web. Even fake collectible U.S. coins are minted.

But with China's economic rise, there been a boost in demand for Western brands. Snoopy and the Playboy bunny logo are often stitched onto clothing. If consumers can't find or afford [KFC](#) or McDonald's, lookalikes include KMC and MKC, while several coffee chains mimic Starbucks' logo.

Plants in China's southern provinces near [Hong Kong](#) have been caught producing imitation Windows software, Duracell batteries, Chanel fragrances and even Viagra.

A major obstacle is China's *shanzhai* culture, whereby some Chinese delight in making cheap imitations, sometimes in parody, of expensive, famous brands. At its most innocent, *shanzhai* celebrates the Chinese office worker who last month surprised colleagues by turning up in his homemade [Iron Man](#) suit.

More seriously, fake Chinese products, such as food and medications,

threaten consumers.

"There is too much tolerance of the *shanzhai*," says Paul Ranjard, a lawyer at Beijing's Wanhuida, a law firm and intellectual property agency. "It's infringement, but there is an ambiguous attitude" in Chinese society and its courtrooms, he says.

Even at Apple's flagship Beijing store, one of only four nationwide, there appears some grudging respect for the Kunming copycat.

"We were surprised, and had to laugh, as it looks just like our store, but I hope it is shut down soon," salesman Ge Heng says.

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Posted 7/31/2011 9:38:46 PM |

Updated 8/2/2011 1:11 AM

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