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**THE DAIRY PRACTICE COUNCIL
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**FOOD SAFETY RISKS/
PROTECTING YOUR BRAND**

Your Speakers

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Where There is Risk...

1. Recall
2. Food Borne Illness
3. Advertising/False Advertising

There is Insurance...

1. CGL Policies
2. Trade Name Restoration Policies
3. Malicious Product Tampering and Accidental Product Contamination Policies
4. “Craft Breweries” Coverage

“Coverage Bubbles up for craft breweries”

Business Insurance

OFF BEAT: Coverage bubbles up for craft breweries

October 23, 2011 - 6:00am

Travelers Cos. Inc. is serving up new insurance coverage that caters to the booming craft brewery industry.

Travelers' new offering is designed to help small brewers protect their investment and safeguard against common food-related risks—and cash in on the latest craze.



According to the Boulder, Colo.-based Brewers Assn., the number of craft breweries has grown from eight to 1,600 in the past 30 years and, until now, was an untapped market for insurers.

The new product includes access to a variety of industry-specific insurance coverage, experienced risk control consultants and dedicated claim services that are tailored to the sudsy segment.

“IndustryEdge for Craft Breweries captures the specialized capabilities and coverage from Travelers business insurance to create a total solution that is on tap for this niche industry,” said Scott Higgins, president of Travelers commercial accounts, in a statement.

Specialized coverage and service options include equipment breakdown, food industry amendatory endorsement, contamination costs, product recall expense, and surety and licensing bonds. Additional risk control and claim services include industrial hygiene, business continuity, crisis management and slip-and-fall prevention.

Now that the market offers coverage for craft beer production, perhaps a policy for craft beer consumption is on the horizon.

Where there is Insurance...



There are denials...

1. Welch is squeezed
2. Getting milk from a stone
3. Not yet milk...not yet insurance
4. You're in the Army now.

You Should:

1. Work with a broker who knows your business
2. Know what you have bought
3. Think of Insurance After a Loss
4. Don't Take "NO" for an answer

The Knock-Off Epidemic

“Hey lady, interested in a Prada bag for twenty bucks?”



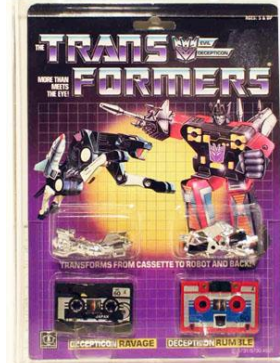
What? Everything

Just about everything can be faked, including:

- *Medicine*
- *Food*
- *Beverages*
- *Consumer/Industrial Electronics*
- *Building Materials*
- *Cosmetics*
- *Designer Apparel*
- *Entertainment/Sports Merchandise*
- *Toys*
- *Automotive parts*
- *Software*
- *Movies*
- *Music*
- *Personal Care Products*



Highendtfs.com: Zhong Jin Counterfeit Rumble / Ravage ID Guide



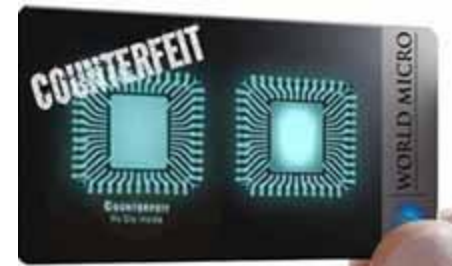
Real US Rumble / Ravage



Zhong Jin Counterfeit Rumble / Ravage



Everything!



Food and Beverage

- Many kinds of foods and beverages have been counterfeited:
 - Seafood
 - Olive Oil
 - Honey
 - Maple Syrup
 - Vanilla Extract
 - Bottled Water
 - Frozen Yogurt
 - Powdered Milk
 - Wine/Soft Drinks
 - Breakfast Cereal

Love your Swiss cheese?

Careful, it could be a knock-off

For years, inferior cheese masquerading as the finest from Switzerland has snuck onto the shelves of stores around the globe. You might think that slice of holey cheese is authentic – but it may be the food world equivalent of a Louis Vuitton knock-off.

Dairy counterfeiters, however, should watch their backs. Cheese detectives are on the case.

catherine mclean winterthur
SWITZERLAND— Globe and Mail Update
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Who? Everyone.

- Everyone is affected by counterfeit trade, both the brand owner whose trademark is misappropriated and the consumer who is sold the fake goods.
- Many counterfeit products can pose serious public health concerns and they have been known to harm or even kill consumers.
- Counterfeiting results in lost sales, lost jobs and lost tax revenue.

Where? Everywhere.

- The problem is global in nature.
- East Asia, particularly China, remains a primary center of counterfeit production, but counterfeits can be sourced to many other countries, and the criminal networks needed to ship, distribute and sell counterfeit goods are located in countries all over the world.

Piracy Prevalence Index – Ratings by Country



Perils of the Gray Market

- The gray market refers to genuine products that are traded outside the manufacturer's authorized distribution channels, including the importation of products manufactured for sale in a specific country or region into another country or region where sale of the products is not authorized.

Perils of the Gray Market

- Gray goods can become adulterated or misbranded through alteration or improper handling/storage, creating quality control, customer satisfaction and liability issues.
- Gray goods may not meet regulatory requirements on content, labeling, expiration.
- Gray market commerce facilitates counterfeit trade and gray goods are often intermingled with counterfeit goods.

Counterfeiting Is A Serious Felony Offense

- 18 U.S.C. § 2320

Knowingly trafficking in goods, services or packaging-related items that involve the use or application of counterfeit marks is punishable by up to 10 years in prison, up to 20 years if serious bodily harm results or is attempted, and up to life if death results or is attempted.

Civil Enforcement

- The Lanham Act (15 U.S.C. §§ 1051 et seq.) provides broad remedies for violations involving the use or the application of counterfeit trademarks “in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake or to deceive”

What Can Be Done?

- Measure the problem.
- Investigate the problem.
- Fight the problem.

Measure the Problem

- Market surveys are a basic tool in the anti-counterfeiting tool box. They can be used to measure the incidence of counterfeit goods in particular markets. Applies equally to gray goods.
- Surveys can be used to collect detailed information concerning which products are most at risk of being counterfeited, and to determine whether demographic or other factors may be driving counterfeit rates.
- Survey results can be used for internal and external reporting purposes, to guide the allocation of anti-counterfeiting resources, to demonstrate corporate commitment to anti-counterfeiting efforts and to fuel investigations.

Investigate the Problem

- An aggressive, enforcement-oriented investigative strategy is an indispensable element to any successful anti-counterfeiting program. A broad array of risk-based data, derived from surveys, company records, online monitoring efforts, public record information, consumer complaints and other sources can be probed for patterns and relationships suggesting other investigative steps in support of enforcement strategies.
- Product supply chains should be audited to determine adequacy of/compliance with internal controls. Due diligence should be performed on business partners to assure compliance with contract obligations relating to product handling/distribution, and to uncover risky business relationships that can lead to gray market activities and other unauthorized conduct.

Fight the Problem

- The willingness to initiate enforcement action against counterfeiters, once proof of infringement is collected, is essential to deterring future infringing activity.
- Depending on the circumstances, the brand owner can choose to bring a civil enforcement action under the Lanham Act, or refer the matter for criminal prosecution.
- Whichever route is taken, it is imperative that the brand owner first have conducted a proper and thorough investigation in support of the enforcement action so that the evidence required, whether to meet statutory requirements for relief or to capture the criminal prosecutor's attention, is obtained.

Thank You

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