

Factory owner held after raids net fake bags

Leu Siew Ying in Guangzhou

Police and commercial bureau officials arrested a factory owner during simultaneous raids on a factory producing fake Chanel bags, warehouses and retail outlets.

At least 5,000 bags estimated to be worth more than 7 million yuan were seized in the raids, which were the culmination of a two-month probe by Chanel's private investigators, I-OnAsia.

At least 1,200 fake bags of the

American brand Coach were among those confiscated.

The factory owner was a repeat offender who had previously been fined 9,000 yuan by the Administration of Industry and Commerce because the value of goods seized had not met the threshold needed for criminal prosecution, I-OnAsia sources said.

Police take over copyright infringement cases when the value of counterfeit products seized from an individual is at least 100,000

yuan, or 200,000 yuan for a company.

"We probably knocked out a syndicate that was responsible for between 60 to 70 per cent of the counterfeit handbags on New York streets," said I-OnAsia chief executive Derek Elmer.

"The role played by the Public Security Bureau was beyond the call of duty. All the raids we did today were perfectly executed."

I-OnAsia operatives had spent a month monitoring the factory

owner's movements after tracking him down from an online seller of the poorly copied bags to shops in the Baiyun Leather Goods Centre in Guangzhou, warehouses in the city and in Yikeng village, and the factory in Yiqun village, Huadu.

Investigators said purchasers from all over the world bought the bags, which were packed in cartons containing 100 pieces or plastic bags containing 25 pieces. They were also supplied to other parts of the mainland.

The investigators said they were now receiving more support from law enforcement officers, which made counterfeiters more alert to the risks and, in turn, made the investigators' job more difficult.

"They keep changing the location of their factories and warehouses every one or two months to avoid detection," one said.

On the mainland, authentic Chanel products can only be sold in specialised shops in Beijing and Shanghai.