Many L.A. County residents obtain pirated goods with ease, survey shows

One in four Angelinos knowingly buy pirated products because they are cheap and easily attainable, study shows.

By Richard Verrier, Los Angeles Times Staff Writer
August 20, 2007

Melanie doesn’t think of herself as a pirate.

The 28-year-old South Bay homemaker said she just wanted to listen to a song by country singer Brad Paisley.

But instead of buying the album, she downloaded a bootleg copy from the Internet. A few weeks earlier, she and her husband did the same thing to hear the Boston Pops play a rousing rendition of Tchaikovsky’s “1812 Overture.”

“I can totally afford to buy a CD, but it’s just so convenient,” Melanie said. “Honestly, I wasn’t even thinking about it.”

Like Melanie, one in four people in Los Angeles County knowingly bought, copied or downloaded illegal goods in the last year, according to a Gallup Organization survey commissioned by the U.S. Chamber of Commerce and scheduled to be released today. (One of the 892 survey respondents, Melanie didn’t want to provide her last name because she might get into trouble.)

Although previous studies have documented piracy’s toll on the Los Angeles economy, a U.S. Chamber report is the first to focus on the attitudes and behavior of consumers here who knowingly buy fake goods, including bootleg movies, illegally copied CDs, knockoff handbags and counterfeit auto parts.

“The study confirmed what we already knew: That the buying of these products is widespread and is viewed as a victimless crime,” said Caroline Joiner, executive director of the chamber’s global anti-counterfeiting and piracy initiative.

The 25% piracy rate of Los Angeles County residents surveyed in May and June was slightly higher than the 20% nationwide rate the chamber found last year.

Not surprisingly, most of the counterfeit purchases were movies and music CDs, followed by brand name clothing, bags and footwear, and consumer goods such as shampoo, computer software, auto parts, video games and even bottled water.

Though the chamber survey did not ask how the bogus items were obtained, their easy availability was the most common reason cited.

The second most common factor cited was price. A counterfeit DVD, for example, costs about 50 cents to produce but sells for at least $5 on the street. That makes it cheap for buyers and lucrative for bootleggers.

The findings follow a report this year by the Los Angeles County Economic Development Corp. that concluded that global piracy cost nine industries across Los Angeles more than 100,000 jobs and about $5.2 billion in lost sales in 2005.

To be sure, the extent and cost of piracy and counterfeiting is inherently difficult to track because purveyors tend to avoid government surveys and data are typically scarce or unreliable. What’s more, consumers are less apt to admit to engaging in illegal activity.

“It’s a shocking number, but if anything the numbers are low,” Joiner said.

Further fueling the problem is the proliferation of illegal downloads of movies and music thanks to the Internet, the flow of fake goods from China and limited enforcement to keep counterfeit items out of the U.S., experts say.

Nonetheless, Joiner drew encouragement from another finding: Seventy-two percent of...
Many L.A. County residents obtain pirated goods with ease, survey shows – Los Angeles Times

08/20/2007 11:20 AM

Many L.A. County residents obtain pirated goods with ease, survey shows – Los Angeles Times

08/20/2007 11:20 AM

the respondents believed counterfeiting and piracy laws should be stricter, and 90% said they wouldn't have acquired the fake products if they knew doing so supported organized crime.

Although the movie and recording industries have long decried losses from piracy, the theft of products with copyrights and trademarks has become a growing concern outside of Hollywood, hurting the bottom lines of such major corporations as Ford Motor Co. and Procter & Gamble Co. Counterfeiting is estimated to cost Americans $250 billion a year, making it a hot-button issue for the U.S. Chamber.

The group recently presented a package of proposals to Congress amid growing public concern over tainted toothpaste and fake medicines from China. The chamber hopes to use the Los Angeles survey and a larger national study to be released in October as ammunition in pushing for harsher penalties for piracy and counterfeiting, as well as better enforcement.

The release of today's report will kick off a weeklong series of events in Los Angeles aimed at educating the public about health risks and economic costs associated with counterfeiting and piracy.

The chamber has proposed steps intended to make Los Angeles a model for combating piracy and counterfeiting, including expanding Mayor Antonio Villaraigosa's Anti-Piracy Task Force and better coordination of enforcement efforts by city, county and federal officials.

"L.A. County and the city are taking steps in the right direction to tackle the problem, but the data show that still more work needs to be done," said Rob Calia, senior manager with the chamber's anti-counterfeiting and piracy initiative.

Justin Hughes, a law professor and piracy expert at Cardozo School of Law in New York, said Los Angeles might have a higher rate of counterfeiting than other cities because of the high volume of goods flowing through the ports of Los Angeles and Long Beach. But, he added, the latest data reflect broad consumer behavior.

"Most Americans do understand copyright and trademark laws, but it's a bit like speeding laws," Hughes said. "We know they are there, and they're a good thing, but we usually find ourselves going five to 10 miles over the speed limit."

richard.verrier@latimes.com
