

# Turning Losses Into Profits

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Tulip™

*Making Money  
Out Of Counterfeiting*

# What is Tulip all about?

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**Tulip**<sup>TM</sup>

Turning losses into profits

*Up to now brand owners have thought about counterfeiting as one big costly headache. If nothing else it costs you money in terms of lost revenue or reputation. If you do anything about it, it costs you money to have people investigate it and it costs you money to have lawyers pursue it.*

*Tulip provides brand owners with the tools to make money out of counterfeiting.*

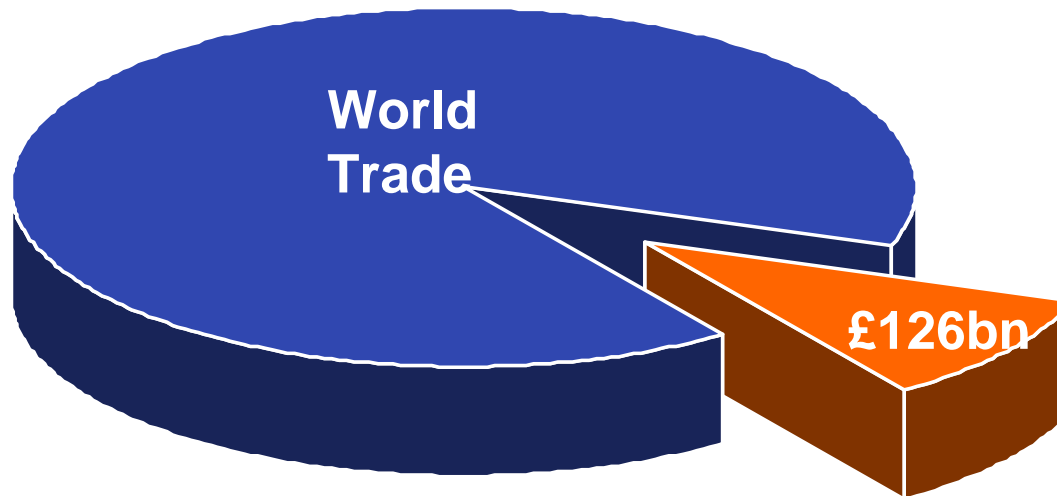
*The Tulip strategy is about recovering from the counterfeiters not only more than enough money to pay for all of your investigative and legal costs but to go that extra step and earn an impressive return on your investment. For every pound invested Tulip produces a return of at least 2 to 3 times that investment.*

# A global epidemic...

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*Counterfeiting costs world trade approximately \$200Billion a year.*

*Every brand owning client, from luxury goods to automotive parts, is under attack and the more successful they are the more likely they are to be attacked.*



# Tulip's Philosophy

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## 1. MONEY

*The conventional approach taken by brand owners has focused on the use of cease and desist letters to chase and seize product. This approach is expensive, time consuming and provides little long-term return.*

## 2. MONEY

*Mishcon de Reya believe the only way to eradicate the counterfeiting is to focus on the money. Tulip works by chasing the money, not the product. And not just the money made by the counterfeiters, but also on the profit that the brand owners have lost.*

## 3. MONEY

## 4. MONEY

*There is no difference between the fraudster who steals a brand and the fraudster who embezzles money from a bank. Both are theft, both cause substantial loss and both deserve the same treatment.*

# Tulip's Foundations

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*Tulip combines 25 years experience in financial fraud and is combined with IP expertise to deliver a new weapon in the fight against counterfeiting.*

*The team of 20 lawyers at Mishcon de Reya work with an extensive network of international fraud lawyers and bankers.*

**Contacts with authorities**

*Well established contacts and working relationships with the criminal authorities provides access to the best weapons that the civil and criminal systems offer as and when needed.*

**International fraud networks**

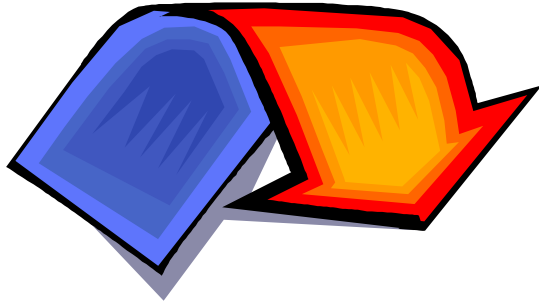
**Strength in numbers**

**Marriage of financial fraud and IP expertise**

# Tulip Cycle – Stage 1

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## INVESTIGATION



- *Show & Tell*
- *Scratch & Sniff*
- *Scope & Poke*

*The Tulip cycle begins with 'show & tell' in which the brand owner sets out all the intelligence they have regarding the performance of their business, the performance of the brands and the problems.*

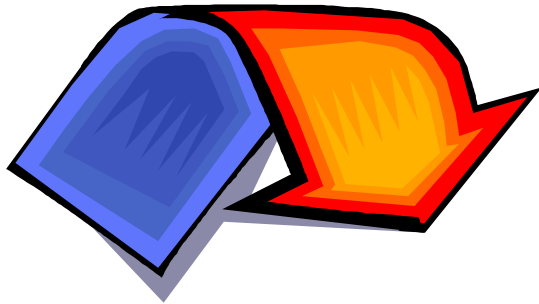
*In 'scratch & sniff' a profile is developed of the most likely targets.*

*After the initial targets are selected, 'scope and poke' carries out a more detailed investigation into possible targets. Using covert investigation techniques a more detailed profile of potential targets is developed.*

# Tulip Cycle – Stage 2

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## Selection



- **Pick & Kick**
- **Slice & Price**

*The selection phase of Tulip is about identifying the best targets and begins with 'pick and kick' which asks 5 key questions based upon the profiles developed in the investigation stage.*

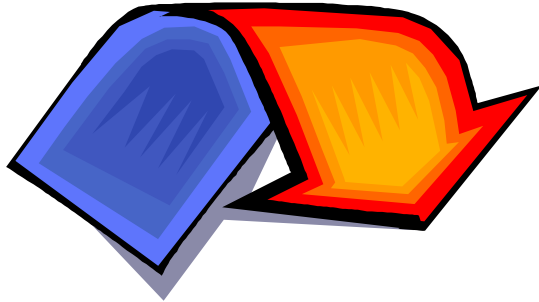
- 1. Is there a viable target?*
- 2. Do the targets have viable assets?*
- 3. Is there a viable claim?*
- 4. Is there potential for additional action against the suppliers and customers of the target?*
- 5. Do the legal and reputational risks identified justify the proposed action?*

*Tulip is about providing a return on investment. 'Slice & price' looks at the cost:benefit ratio of each proposed course of action against each target.*

# Tulip Cycle – Stage 3

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## Action



- **Write & Fright...& Squeeze**
- **Sue...& Squeeze**
- **Freeze & Seize...& Squeeze**

*The action phase is where the results are produced. All the steps in this phase aim to do one thing - squeeze money out of the targets.*

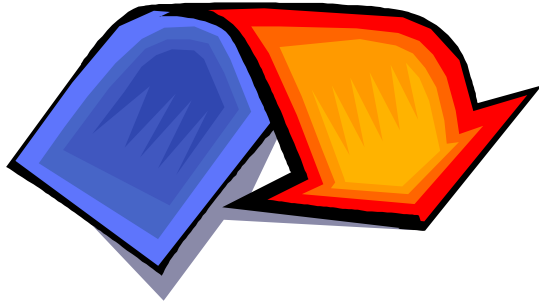
*'Write & fright' uses a carefully and powerfully crafted letter to detail the legal and financial ramifications of the legal action pending against the target. It offers a way out of the doom and gloom scenario by cooperating and paying compensation.*

*Should 'write & fright' not provide the desired outcome, Court proceedings are issued in the 'sue' phase. The target is reminded that unless they cooperate they face summary judgment proceedings and the costs of pursuing them will be added to the sum the target has to pay to settle the case.*

# Tulip Cycle – Stage 3

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## Action



- **Write & Fright...& Squeeze**
- **Sue...& Squeeze**
- **Freeze & Seize...& Squeeze**

*For the most serious offenders, the injunctive powers of the Court are used to 'freeze & seize' the world-wide assets of the target.*

*Action taken in this phase includes:*

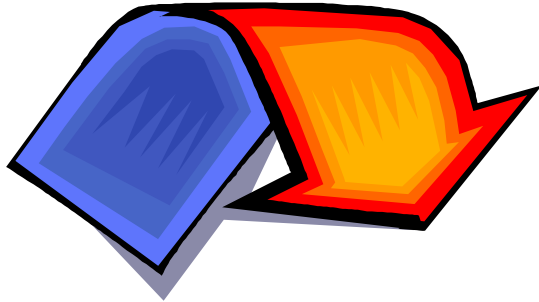
- *Raiding the target's homes and businesses to seize financial records*
- *Serving disclosure orders on the banks, accountants and lawyers used by the target to secure as much information as possible about their finances.*
- *Issuing orders compelling the target to surrender their passports and limit their ability to spend money without permission.*

*All evidence collected is then examined for non-disclosure, cross-examination and contempt applications.*

# Tulip Cycle – Stage 4

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## Completion



- *Sweep up*
- *Make up*
- *Lock up*
- *Speak up*
- *Build up*

*The final stage of the Tulip cycle provides the extra money and information you need to sustain an effective anti-counterfeiting campaign.*

*'Sweep up' pursues each of the suppliers and customers of the initial target and recovers money from them.*

*'Make up' converts past purchasers of counterfeit goods into purchasers of legitimate products. Sales of genuine product frequently show a noticeable increase in sales after a 'sweep up' and 'make up' exercise.*

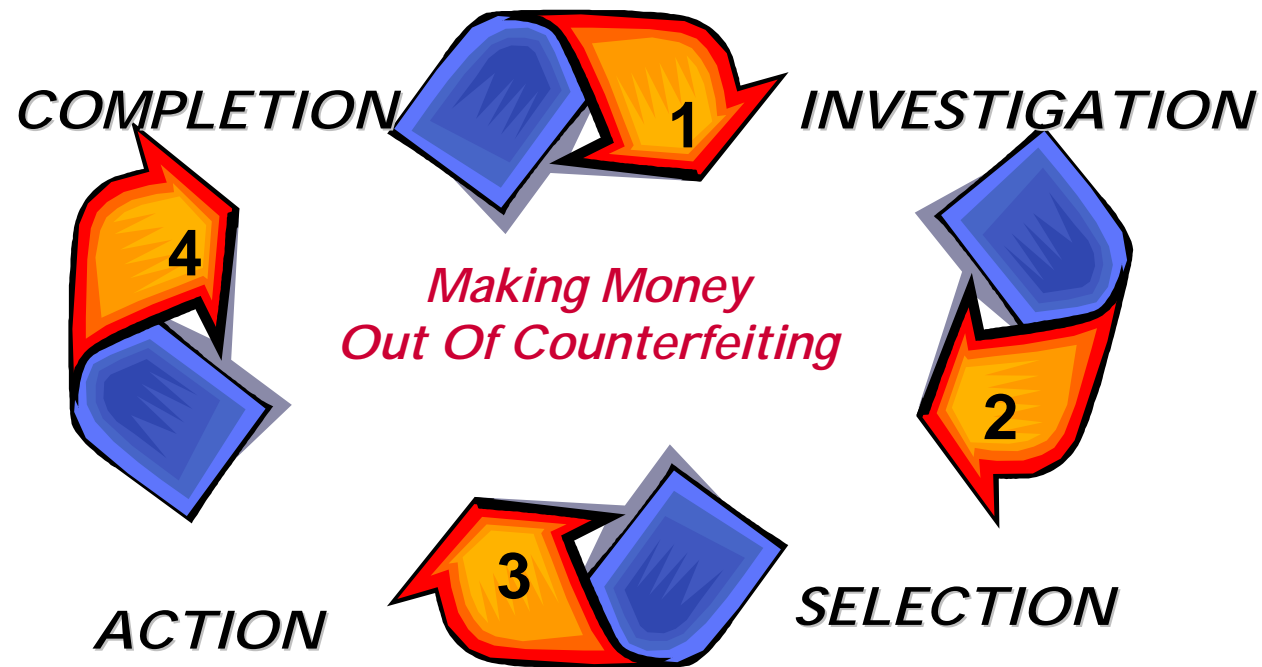
*'Lock up' provides information and assistance to the police or trading standards to have targets convicted and imprisoned.*

*'Speak up' uses as much information as desired to issue press releases aimed at customers, licensees, shareholders and other would-be counterfeiters.*

*'Build up' is the process of building a database which you can refer to and enhance during future investigations.*

# Tulip Cycle... In Full Bloom

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*Tulip is a revolving and self funding cycle that builds upon the information gathered to tackle future counterfeiting problems.*

*It can be used in any country and is equally powerful against large and small counterfeiters.*

*It is all about making money out of counterfeiting.*

# Tulip™

Turning losses into profits

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