

KUEPE SAMPLE - LONG READING

- (1) Once limited to dirty stands in flea markets and sold locally, counterfeit luxury goods can be found online, in expensive malls and in discount chain stores. In the past, designers often took pride in their work being copied. But that was before counterfeiting became a multibillion-dollar, multinational business. Fake luxury products — particularly the fake designer bags coming out of China, where the majority of them originate — have now become a serious threat. Ten years ago, counterfeiting wasn't a problem for designers; it was even considered proof of their success. "Now we see it as an economic and even a social danger," says Marc-Antoine Jamet, president of France's anti-counterfeiting lobbying group Union des Fabricants.
- (2) The luxury fakes are part of a much bigger counterfeiting problem, also largely hated in China. According to the Italian anti-counterfeiting coalition Indicam, worldwide production of counterfeit goods — everything from DVDs to pharmaceuticals and to brake pads — has jumped 1,700% since 1993. Counterfeiting is now estimated to account for more than 7% of worldwide trade, or \$450 billion a year. Each year, U.S. agents seize more than \$100 million worth of fake goods entering the States. Some 60% of the world's counterfeit goods are thought to end up in the EU.
- (3) Luxury-goods manufacturers are spending millions of dollars a year on legal teams and private investigators, who work with international customs officials to arrest rings of organized counterfeiters. For example, *La Chemise Lacoste*, whose alligator-logo shirts are knocked off and illegally sold around the world, reportedly budgets around \$4.2 million annually to fight counterfeiting.
- (4) The people who are caught selling fake goods don't fit the usual crime profile. Last year, three posh-looking, expensively dressed women in Detroit were arrested for selling fake *Vuitton*, *Gucci* and *Burberry* bags. If companies really keep up the fight against counterfeit selling and succeed, there is no chance you would see a man outside the *Gucci* store on *the Via Condotti* selling fake *Gucci* bags off a blanket, which is a very common sight nowadays.
- (5) Authorities recognize that counterfeit trafficking is part of a broader, organized-crime problem. In June 2004, U.S. immigration and customs-enforcement agents busted 17 people for smuggling tens of millions of dollars' worth of bogus *Louis Vuitton*, *Prada*, *Gucci*, *Chanel* and *Christian Dior* merchandise in 30 12-m containers through Port Elizabeth, New Jersey. 15 of the defendants turned out to be from two separate crime networks that use shell companies to import counterfeit luxury goods from China and distribute them through storefronts in New York City's Chinatown. Both customs and Interpol have warned in recent months that counterfeit merchandising is also being used to fund terrorist groups.
- (6) However, bad publicity has hardly **made a dent in** the trade so far, largely because China's factories are getting so good and skilled at producing large quantities of nearly perfect fakes. The highly skilled workshops are centered in the provinces of Guangdong, near Hong Kong,

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and Zhejiang, south of Shanghai. Both regions are the centers for the legitimate manufacturing of leather goods, so getting raw materials and other supplies is relatively easy. Lower-grade merchandise stays largely in China; the best is exported almost exclusively to the West. Factories shipping out fakes disguise the contents of containers with foodstuffs or other consumer products like underwear.

- (7) The luxury-goods companies have tried to take legal action against the big Chinese production centers and close them down. However, a general disrespect for copyrights that extends far beyond the luxury-goods industry and the loosening of trade restrictions in the region make **crackdowns** complicated.
- (8) Once the goods reach Europe or the U.S., there is little deterrent. "In narcotics, they get 20 years to life, but a man selling fake goods in the morning is back on the street by the afternoon," complains a U.S. customs agent. Customs officials have been working to increase the penalties, such as prison sentences of 10 to 20 years.
- (9) For the luxury-goods makers, counterfeiting is a high-stakes battle. It's hard to quantify exactly how much money a luxury brand loses to counterfeiting, since investigators and manufacturers say most people who buy fakes wouldn't pay for the real product anyway due to its high price. The larger risk is that the brand will get devalued. Brandmakers fight counterfeiting "not because they feel this will steal a genuine quantifiable sale from them, but because of the overexposure of the brand," says a luxury-goods analyst. Hermès Lacoste recently commissioned a poll in 12 markets to study the impact of counterfeit goods. When asked how they felt about the growing trade of counterfeit products and why they bought fake goods, 76% of the respondents said the growing abundance of forged items and logos made buying the original far less **alluring**.
- (10) One of the biggest problems is that customers in the West have become **inured** to the idea that counterfeit goods — and knowingly selling them — are illegal. As a result, they don't hesitate to buy them despite the fact that they are committing a crime. What's more, people who buy fakes often rationalize counterfeiting as a victimless crime. Law-abiding people who wouldn't think of stealing suddenly become much bolder when it comes to buying counterfeit goods. Unfortunately, the criminal scope of the counterfeiting business doesn't reach the consumer. Even if they knew that it funds criminal operations, many people would still find those cheap bags too good to resist.

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- 1) Which of the following is NOT a reason why designers did not worry about counterfeiting about 10 years ago?
 - a) Counterfeit goods were sold in local flea markets only.
 - b) They were proud of their work being copied.
 - c) They thought it was a sign of their success.
 - d) Counterfeit goods were largely produced in China.

- 2) Which of the following is NOT true according to the article?
 - a) There has been a tremendous increase in the production of fake goods since the early 1990s.
 - b) The people who sell fake goods look like typical criminals and so they can easily be picked up.
 - c) So far, luxury-goods manufacturers have not been very successful in their fight against counterfeiting.
 - d) One important way luxury-goods manufacturers can fight against counterfeiters is through money.

- 3) According to the article, counterfeit manufacturers in China _____.
 - a) are not slowing down production despite the efforts by customs and the big brand companies
 - b) prefer to have their fake goods sold in secret places once they reach the big cities in the West
 - c) have more difficulty in manufacturing the fake goods than in selling them
 - d) export all of their fake products to the West after manufacturing them

- 4) The luxury-goods manufacturers see counterfeiting as a threat mainly because _____.
 - a) their sales are going down and they are losing money
 - b) their products are losing their value in the market
 - c) the fake goods are not as good as the originals
 - d) the counterfeiters are producing imperfect copies of the genuine ones

- 5) It is stated in the article that consumers buy fake goods because they _____.
 - a) don't know that counterfeiting is illegal
 - b) can't find the original easily
 - c) are not aware that they are committing a crime
 - d) are cheaper than the genuine ones

- 6) Which of the following CANNOT be inferred from the article?
 - a) Trade restrictions and copyrights are strictly followed everywhere.
 - b) Counterfeiters are hardly punished when they are caught.
 - c) Consumers of fake products do not know the criminal outcomes of their purchase.
 - d) It is not likely that there will be an end to counterfeiting in the near future.

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- 7) The phrase “**made a dent in**” in paragraph 6 refers to _____.
a) made a hole
b) reduced
c) made an addition
d) increased
- 8) The word “**crackdown**” in paragraph 7 is closest in meaning to “*official actions taken to* _____.
a) punish those who break laws
b) repair the broken parts of good
c) export goods produced locally
d) prevent breaking of fragile goods
- 9) The word “**alluring**” in paragraph 9 can best be replaced by _____.
a) convenient b) discouraging c) complicated d) appealing
- 10) The word “**inured**” in paragraph 10 is closest in meaning to _____.
a) reluctant b) resistant c) accustomed d) tempted

ANSWER KEY 1d 2b 3a 4b 5d 6a 7b 8a 9d 10c