



Written by [Dave Bohon](#) on August 22, 2011

China's Latest Rip-off: Phony Apple Stores

The [Associated Press](#) reported that an American living with her husband in the city of Kunming, in the southern Yunnan province, “stumbled on three shops masquerading as bona fide Apple stores in the city” in July. “She took photos and posted them on her [BirdAbroad blog](#).” A subsequent blog posting includes a [YouTube video](#) walk-through of one of the stores to show the effort that was put into making the counterfeit store seem like the real thing.



The 27-year-old blogger said the phony stores were so convincing that even the employees appeared to think they were working for the real company. “It looked like an Apple store,” she wrote. “It had the classic Apple store winding staircase and weird upstairs sitting area. The employees were even wearing those blue T-shirts with the chunky Apple name tags around their necks.” But, she added, “some things were just not right: the stairs were poorly made. The walls hadn’t been painted properly. Apple never writes ‘Apple Store’ on its signs — it just puts up the glowing, iconic fruit.”

Added the anonymous blogger: “This was a total Apple store rip-off. A beautiful rip-off — a brilliant one — the best rip-off store we had ever seen. Being the curious types that we are, we struck up some conversation with these salespeople who ... all genuinely think they work for Apple.”

[BBC](#) reported that after the blogger’s initial posting Chinese authorities began searching Kunming, turning up five phony Apple stores, and later a total of 22. [PCMag.com](#) reported that after receiving a complaint from Apple, Chinese officials worked quickly to address the trademark infringement. “According to [an August 12] posting on the Kunming city [government site](#), Apple’s Shanghai office lodged a complaint to the Kunming Trade and Industry Bureau on August 2. The stores had until August 10 to remove all Apple trademarks, including logos and signage. Every store has complied, the post says.”

Following the exposure, reported [Reuters](#), some customers who had purchased merchandise at the stores began returning to complain. One lady told Reuters, “When I heard the news I rushed here immediately to get the receipt, I am so upset. With a store this big, it looks so believable who would have thought it was fake?” Reuters said the 23-year-old office worker “spent 14,000 yuan (\$2,170) last month buying a Macbook Pro 13-inch and a 3G iPhone from the Kunming store. She wasn’t issued a receipt at the time, with staff telling her to come back later.”



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While the stores themselves may have been fake, by most accounts the electronic merchandise appeared to be authentic, which seemed to be all some customers were concerned about. "As long as their products are real it's okay," Reuters quoted a customer at one of the phony stores as saying. "After all, you enter a store not to look at anything except their products. If the products you buy are real, why do you care whether the store is a copy?"

According to Reuters, "Apple has declined to comment on the fake store or others like it dotted around China. The Cupertino, California-based firm has just four genuine Apple Stores in Beijing and Shanghai and none in Kunming."

The [Washington Post](#) reported that the "emergence of fake Apple stores in China is interesting to note in light of the company's record earnings announcement ... and the fact that Apple's Chief Operating Officer Tim Cook cited China as a main driver of the company's growth in the last quarter."

In fact, [Washington Post](#) writer Elizabeth Flock wondered if there might be an upside for Apple in the latest piracy episode. Noting that the company has taken a somewhat "laissez-faire" attitude about the copycat stores, accepting that Chinese officials are cracking down on the merchandisers' use of the Apple logo while allowing them to continue selling the products, Flock reflected that the company's response may be similar to that of Microsoft founder Bill Gates when he visited China in the 1990s.

Flock quoted [BrandChannel.com](#) writer Abe Sauer, who recalled that while Gates denounced the rampant piracy of Microsoft software he witnessed during his trip, "Rumor had it [that] Gates secretly saw a silver lining and noted privately that all those counterfeit programs were creating a nation of Microsoft-adherents, who, once IP controls were more stringent, would end up buying the real programs they had become comfortable with." Predicted the *Post's* Flock: "With strong Asian business credited as behind Apple's recent surge in sales, the company may just see the same silver lining."

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