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A Small Firm Takes On Chinese Pirates

Chicago Maker of 'BraBaby'
Travels to Asia to Hunt Down
Companies Selling Knockoffs

By JONATHAN CHENG

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When Robert Engel's 10-year-old son asked him recently what he was doing online all day, Mr. Engel explained that he was playing a new computer game: BraBaby Pirate Brigade.

It isn't a real computer game -- but it's all too real to Mr. Engel. The 43-year-old Chicago entrepreneur is battling rampant piracy of his company's BraBaby, a plastic cage that looks like a Wiffle ball and prevents bras from getting tangled in the spin cycle. What he is really up to on that computer, four hours a day, is tracking Chinese companies selling knockoffs of BraBaby online at cut-rate prices.

It's not difficult to find the impostors, Mr. Engel says. Many of them brazenly use the name BraBaby, sometimes with a slightly different styling from the rendering Mr. Engel uses. They often appropriate Mr. Engel's logo and his promotional photos -- including shots of his wife, Laura, BraBaby's creator, cradling the product.



Above: Robert and Laura Engel. She invented the BraBaby, a device used for laundering bras. He is doing his best to protect the product from cheap imitations.

"You think the hard part is coming up with a great product, but then you find out the hard work has just begun," Mr. Engel says. He compares his fight to a game of Whac-A-Mole -- shut down one company, and another springs up.

Multinational companies like [Walt Disney Co.](#) and [Nike Inc.](#) have long lost business to Chinese knockoffs. [Pfizer Inc.](#) employs full-time counterfeit investigators to clamp down on phony Viagra. But Mr. Engel's crusade illustrates the enormous challenge a small business faces trying to protect its intellectual assets in China.

Mr. Engel, whose Angel Sales Inc. boasts a staff of just eight besides himself and his wife, doesn't have investigators or crack legal teams to fight sophisticated pirates well-versed in the cat-and-mouse game. "If I don't do the policing, who else is going to do it for me?" he asks, adding: "I now see this as a cost of doing business."

Mr. Engel says he has seen his BraBaby priced as low as 38 cents,

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compared with its normal \$1.25 wholesale cost. An Australian company recently backed out of a deal with Angel Sales after discovering the cheaper knockoffs on the Internet. The company accused Mr. Engel of selling the product above "fair market value," he says.

With the help of his lawyers, Mr. Engel has already sent cease-and-desist letters to 71 Chinese companies. A few have stopped, but the rest have plowed ahead, replacing Mr. Engel's promotional photos with their own or simply ignoring him.

The uphill battle has even strained Mr. Engel's relationship with his wife, who invented BraBaby two years ago and as vice president manages its marketing. "The pressure doesn't stay here at work. It's going through my whole life," says Mr. Engel, a jazz trumpet player and jujitsu enthusiast.

Laura Engel, 41, adds: "We'll be so mad at each other for a day or two, and it's not fun, because we have to go home to dinner together."

Before the BraBaby came along, the Engels had created a small business by developing and selling household products such as key-chain racks and gardening tools, mainly through mail-order catalogs and online sales. They never had a big seller until BraBaby, which became a hit -- selling up to 10,000 items a week -- after television personalities Rachael Ray and Tony Danza promoted it on their morning talk shows.

BraBaby began airing on home-shopping networks last spring. Mr. Engel says Chinese companies immediately began advertising their knockoffs, printing the familiar red "As Seen on TV" logo on their boxes and ads to drum up sales.

Earlier this year, Mr. Engel signed a deal licensing BraBaby's retail-distribution rights to oneCARE, of Alpharetta, Ga., which plans to brand the product with Procter & Gamble Co.'s Tide logo and sell it at big-box retailers, including Wal-Mart Stores Inc., Target Corp. and Bed, Bath & Beyond Inc. Mr. Engel wants to nip the copycats in the bud and make sure his partners don't get spooked by a flood of cheap knockoffs.

China is hardly the only intellectual-property battleground in the world, as threats to BraBaby from South Korea and Turkey attest, but it is among the world's riskier markets. So Mr. Engel has taken the fight to the pirates. In April, he arrived in Guangzhou for the Canton Fair, China's



Right: an ad from a Korean online retailer that sells a copy of the item, dubbed the 'Pickboy Brasaver.'

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COMPANIES Dow Jones, Reuters

Walt Disney Co. (DIS)

PRICE	34.54
CHANGE	0.02
	7/3

Nike Inc. Cl B (NKE)

PRICE	58.98
CHANGE	0.58
	7/3

Pfizer Inc. (PFE)

PRICE	25.81
CHANGE	0.08
	7/3

Procter & Gamble Co. (PG)

PRICE	61.79
CHANGE	0.05
	7/3

Wal-Mart Stores Inc. (WMT)

PRICE	48.47
CHANGE	0.14
	7/3

Target Corp. (TGT)

PRICE	63.26
CHANGE	-0.58
	7/3

Bed Bath & Beyond Inc. (BBBY)

PRICE	36.05
CHANGE	-0.04
	7/3

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largest export trade show, carrying a briefcase stuffed full of trademarks and design patents. His mission: to scour the fair's 30,000-odd booths for the Chinese companies selling knockoffs of his product to importers at cut rate.

It didn't take Mr. Engel long to find China-Base Ningbo Foreign Trade Co. selling tens of thousands of the item for as little as 45 cents apiece. After posing as a potential buyer and asking a few questions about the product, Mr. Engel walked off with a brochure and stormed into the fair's Intellectual Property Complaints Office, where he learned he lacked the proper documentation to prove his identity. A few days later, in Beijing, he consulted with the lawyer who had helped him register BraBaby in China and got no more satisfaction. The lawyer told him his application was backlogged -- a typical problem in China, where trademarks often take up to three years to be registered.

When Mr. Engel returned to Guangzhou and nearby Hong Kong for a second round of sleuthing, he found another eight trading companies exhibiting the BraBaby for sale into overseas markets. All told, he logged 35 hours of flight time on his recent scouting trip.

On his next foray into China, Mr. Engel says, he'll have all of his paperwork ready, including original copies of forms linking him with his company.

In the tangled world of intellectual-property claims, Mr. Engel himself isn't immune to challenges. An Austin, Texas, company called BraBall holds an earlier U.S. patent on a product similar to the BraBaby, though BraBall part-owner Jack Lander, a past president of the United Inventors Association, says there are no immediate plans to challenge Mr. Engel's product in court.

"We're competing on quality," he says.

OneCARE, the company that bought the retail distribution rights for BraBaby from the Engels, says it doesn't comment on intellectual-property rights but is launching the BraBaby in the fall at major U.S. retailers.

Thus far, Mr. Engel says, he has spent about \$125,000 registering the BraBaby for patenting, copyright and trademark in the U.S., the European Community, Australia, New Zealand, Taiwan and Hong Kong, as well as in China. But copycats are legion and capable of dissolving quickly and reforming under another name.

"It's like chasing ghosts," Mr. Engel says.

Occasionally, the ghosts materialize. While scouting one of the fairs on his recent trip, Mr. Engel came across a familiar name: Bingo Hu, owner of Ningbo Bingo International Co. and two other companies based in Ningbo, a city on the East China Sea.

"I've been sending you love letters and you haven't been replying," Mr. Engel says he told Mr. Hu at his booth, where something called the BraSaver was displayed.

After Mr. Engel confronted him, Mr. Hu says, he immediately contacted his suppliers and told them "not to give me any more trouble." He says he has since ceased shipping the BraSaver.

"Don't you care at all about what you're doing to my item?" Mr. Engel says he asked Mr. Hu at his booth. "He didn't seem the least bit scared."

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