



Salon Retail – Seller Beware

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The heat is on! Summer has definitely arrived and as with many businesses, indoor tanning salons are concerned about vacationing customers – looking for innovative ways to increase traffic during the slower season.

By clearing a space in your reception area, designing a creative window display or sending an e-mail blast to your customer base, a salon owner can attract additional revenue by offering their clientele items such as purses, sunglasses, jewelry and other boutique items. The sale of these incidental products can increase profits, as well as making the salon the "go to" place in town for specialty items.

As exciting and fun as the decision to add specialty items to your salon inventory can be, you must be very careful what you put on your shelves and from whom you purchase your product. It has become common to see what appears to be registered-trademark items such as sunglasses, purses and jewelry for sale in salons, at craft sales, in malls and even at individual house parties. The replica or counterfeit product looks exactly like the original but sells at greatly reduced pricing, mak-

ing the product extremely attractive to your customer. Nonetheless, did you know that these products are illegal to sell?

Yes! Allowing counterfeit items to enter the market through your salon is against the law. Many people believe that if counterfeit merchandise is identified on the sales tag as being "fake," it is alright to buy or sell. This is not true. A counterfeit is still a



counterfeit and considered trademark infringement, which is illegal. Manufacturers of these products are firmly cracking down. From e-bay to hometown salons, businesses are being slapped with lawsuits for selling counterfeit goods. These lawsuits will imply trademark and copyright infringement against you for sale of goods for profit and can result in the imposition of criminal penalties.

You can argue that you are not the only one selling these items – and that you see the same products for sale in other salons or on the Internet – but if you are sued, you will have to hire an attorney and defend yourself regarding the crime. Even if you have a lawyer on retainer, you have to pay for your defense, whereas these large companies have a

team of lawyers just waiting for you. Is it worth your time and money to fight this? Probably not.

The anti-counterfeiting laws are in place for a reason and will not go away. The companies that own the trademarks are making progress. We know this to be true, as we do not hear about the house parties for replica items, nor do we see the kiosks in the malls like we used to. By providing these items for sale in your salon, you are leaving yourself and your business open to be sued.

When you add retail items for sale in your salon, be creative and offer unique products without crossing the trademark infringement line. Your options are limitless, and by looking in your own area or purchasing items for sale in your business while vacationing yourself, you can create an amazing atmosphere for your customers that will keep them coming back week after week, without the fear of pending lawsuits on the horizon.

Also remember, when you increase retail items – adding display areas and inventory for sale within your salon – take a moment to assess the true replacement value of your business, including your new additions. Check your property insurance limits and confirm they are adequate to cover your additional exposure. And most importantly, be aware that your liability policy will probably not provide defense or coverage if you engage in illegal activities.



Paula Whitenight is the tanning salon program manager for Universal Insurance, which has been serving professionals in the indoor tanning industry since 1993. For a competitive, personalized quote or additional information about Universal's exclusive Tanning Salon program, call 800.844.2101 or visit www.uitanning.com.

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