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Swell or Swill?

Top Vineyards Fend Off Bogus Bottles;
'French' Vintages Produced in China

By STACY MEICHTRY

MARQUIS NICOLÒ INCISA della Rochetta has no gripe with the look of the wine bottle with the 1995 Sassicaia label that sits on his file cabinet. Nor does he mind how it tastes. The problem is, he didn't produce it.

Unlike authentic Sassicaia, the bottle doesn't come from vineyards on the marquis's family estate on a hillside along the Tuscan coast. Instead, it was snagged with 20,000 other counterfeit bottles in a raid by Italian government inspectors.

Sassicaia is one of a number of top wine makers struggling to fend off a growing menace: bogus bottles bearing some of the most prestigious labels in the business. Other victims in recent years include France's Chateau Mouton Rothschild and Australia's Penfolds Grange—labels that command as much as \$3,000 a bottle.

"Counterfeiting is always on the rise," says Giuseppe Fugaro, head of the Ministry of Agriculture's antifraud unit in Naples. Last month, he pulled 15,000 bottles of fake Falanghina, an appellation of white wine produced around Naples, from Italian store shelves. In 2005, he rounded up more than 6.6 million bottles of bogus Falanghina in Italy.

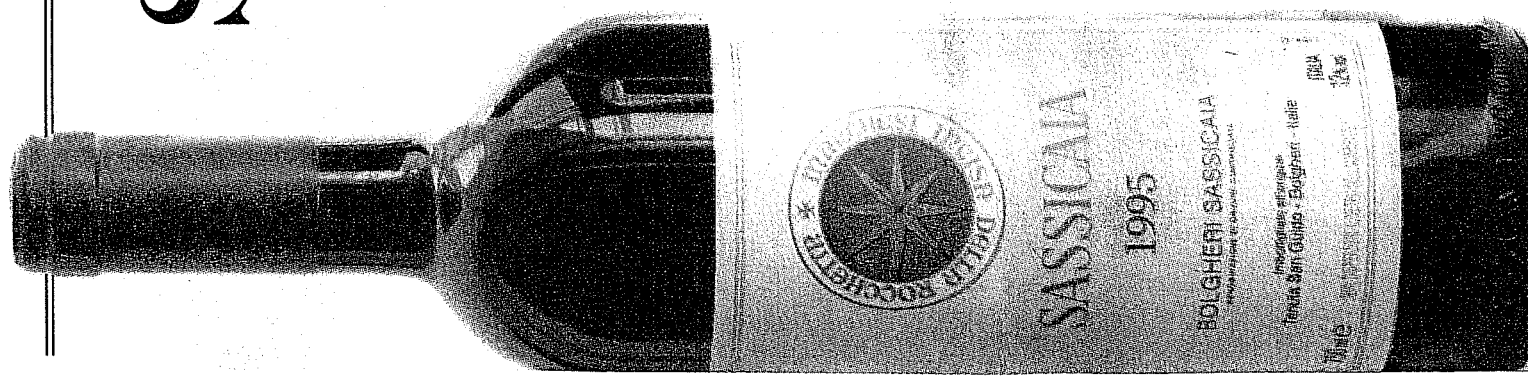
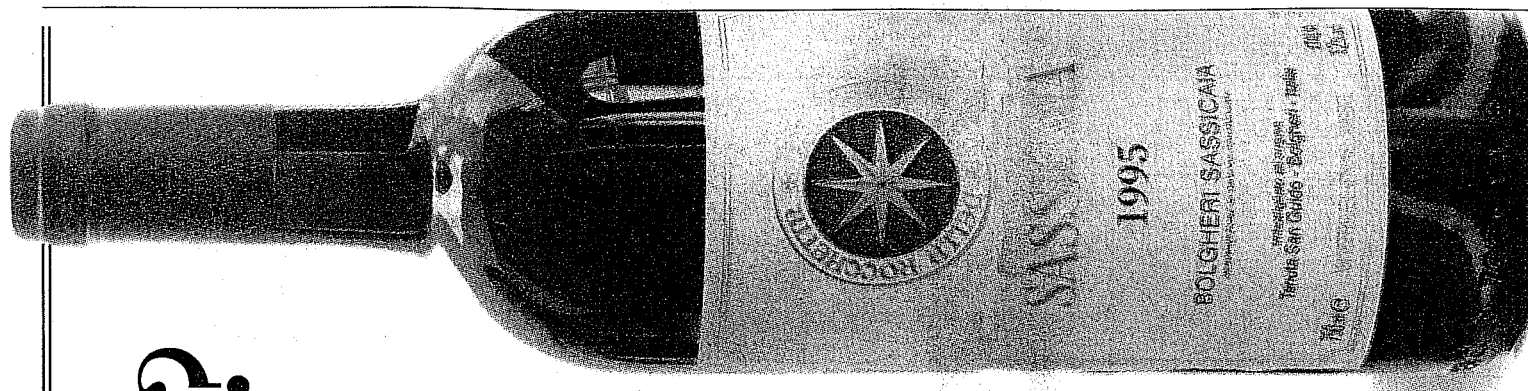
Authorities say counterfeit wine is a world-wide problem, although it appears U.S. winemakers have largely been untouched: Counterfeiters usually target historic wine labels, inspectors say, while wines from newer vineyards are targeted only if the wine is in vogue.

What's inside the counterfeit bottles is generally still wine, but of a lower quality than what's on the label. Fake French labels are often placed on wine that is produced in China. In China and Italy, many of the cases involve local wine and alcohol industry insiders.

Six years ago, the Marquis Incisa della Rochetta was stunned by a client's email questioning the 1995 Sassicaia's provenance. (The client, who had bought more than 100 bottles of the fake wine, became suspicious of the sales agent's ability to find so much of the rare wine for \$100 a bottle, about half its price in 2000. It costs up to \$640 now.)

Local wine vendors also phoned to ask why Sassicaia was being offered at discounted prices by unauthorized sales agents. Investigators eventually raided a warehouse holding a cache of more than

Bolgheri, Italy



◀ **FAKE:** the label, the logo—even the wine inside

REAL: a bottle of 1995 Sassicaia from Italy, which costs up to \$640

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20,000 bottles of wine—the equivalent of about 12% of Sassicaia's annual production.

Last year, a court in Pisa, Italy, convicted four people in connection with the scheme. Prosecutors described one man as a former winemaker who struck a deal with a local wine producer to store and bottle the wine. Authorities said a second man, a 68-year-old retiree, was the group's salesman who carted the fake bottles around the Tuscan countryside in a red Peugeot hatchback.

Wine-industry groups concede that counterfeiting is growing, but they haven't determined how widespread the practice is. The International Organization of Vine and Wine, the wine industry's trade group, says the question has never been fully examined. Wine masters, who vet some of the industry's most famous bottles before they go to auction, say millions of dollars in phony wine gets detected every year. In Italy, the fakes that have

turned up in recent years have forced producers of top appellations such as Chianti Classico to rack up more than \$1 million in legal fees fighting fraud at home and abroad.

Unlike the fashion and recording industries, winemakers for years were reluctant to sound the alarm about counterfeiting. Storied wine families resisted countermeasures for fear of alter-

ing traditions in place for decades and sometimes centuries. Even today, some winemakers believe their products are so singular that they are immune to fakery. "Simple things are something you can produce anywhere you want. But we have history, climate, geography and so many other factors that go into making an appellation," says Riccardo Ricci Curpastrò, a winemaker who is the head of the Italian wine-making association Federdoc.

Detection is more difficult because the quality of counterfeit wines is improving. Serena Sutcliffe, a master of wine for Sotheby's auction house in London, says some fake wine is actually good enough to fool even seasoned consumers. "When people have these fakes and open the bottle, they're not having a nasty drinking experience," she says. "They're very well done."

Despite soaring demand for top-flight wines, many vineyards that produce Europe's most collectable bottles maintain exclusivity by keeping production low—creating an opening for counterfeiters, who buy less prestigious wine at wholesale and bottle it with phony labels. They push the fakes through corrupt wine merchants who act as middlemen between the counterfeiters and supermarkets or auction houses, Italian authorities say.

Winemakers acknowledge that no vineyard is safe. French winemaker

Winemakers Fend Off Bogus Bottles

That Carry Their Labels



Marquis Nicolò Incisa della Rocchetta with real and fake bottles of Sassicaia

Stefano Hurnady

Baron Philippe de Rothschild SA says its growth in China came to a halt a decade ago because of counterfeiters there. The company was forced to set up its own distribution network there.

Domaines Barons de Rothschild, a separate company run by other Rothschild family members, fell victim to a scam in Hong Kong. In 2002, Hong Kong customs officials seized 30 bottles of fake 1982 Lafite Rothschild. Counterfeiters had taken real bottles of 1991 Lafite Rothschild, each valued at \$97, and relabeled them as the 1982 vintage, which can fetch almost 10 times that price.

Winemakers are fighting back with sophisticated methods of protecting themselves. For its 2001 Brunello vintage introduced in February, Ciacci Piccolomini d'Aragona di Bianchini S.S. of Tuscany grafted expensive holograms into the wrapping that seals the cork. The winemaker also has experimented with embedding microchips in the label that can be read with an optical scanner. The precautions are necessary, says company spokesman Mauro Zanca, because even a dozen counterfeit bottles in circulation can undermine confidence in a vintage for years

to come. "Counterfeiting is much easier to prevent than to cure," he says, adding that Ciacci Piccolomini has never, to its knowledge, been counterfeited.

After it suffered a rash of counterfeiting in 1998, Australia's Penfolds Grange, owned by Foster's Group Ltd., invested in security measures, laser-etching the wine's name, vintage year and a five-digit alphanumeric code directly into the bottle's glass. Penfolds has also expanded the number of "reocring clinics," where clients bring unopened bottles to have them tasted for authenticity by Penfolds' chief wine maker, Peter Gago. The checked wines are then resealed, dated and marked with security codes that can be read only under a black light.

In Sassicaia's case, the counterfeiters had formed their own supply chain. A printer in Tuscany reproduced Sassicaia's labels on watermarked paper, forging the brand's indigo-and-gold logo, an eight-pointed star derived from the family's centuries-old heraldic crest. The special wrappings fitted around the bottles' neck were shipped in from Spain. A bottling company in Tuscany produced green bottles that matched those used by Sassicaia.

The wine itself was produced using a variety of Cabernet from the Veneto region of Northern Italy—a grape similar to ones that the marquis's father, Mario, used when he planted Sassicaia's first vineyard in 1940. Counterfeiters blended the Cabernet with Montepulciano d'Abruzzo, a red wine from central Italy, to mimic Sassicaia's bouquet. The marquis concedes that the fakes were "pretty well done," and the counterfeit wine itself was "without defects."

In the wake of the investigation, the Marquis Incisa della Rocchetta has redesigned his bottle to make it more distinctive and is mulling adding a microchip to the label.

Claudio Gufoni, a 59-year-old wine enthusiast who lives in Santa Croce sull'Arno, east of Pisa, was the client who was duped into buying more than 100 bottles of the bogus Sassicaia. Although prosecutors confiscated most of his fake bottles as evidence, a few were left behind. Mr. Gufoni says he now serves them to unsuspecting guests. "No one has noticed the difference."