RISK & COMPLIANCE

Protecting Your Shop

Avoiding fraud and handling copyright the right way — two risks that can cost a healthy shop more than a slow season ever will.

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2026 Edition

One fraudulent blanks order can wipe out a quarter. One unauthorized logo can bring a cease-and-desist. Both are avoidable with a routine your whole team follows. This guide covers how the blanks scam works, the red flags that give it away, and why a signed release agreement belongs in every job that involves someone else's artwork.

RISK 01

Scam orders

A large, artwork-free order paid with stolen payment information. The charge clears, then the real account holder disputes it — and you are out the product and the money.

RISK 02

Unauthorized artwork

Printing a protected logo or mark without written permission. Rights holders actively pursue infringement, and the defense costs time, money and reputation.

Not legal advice

This material is provided for convenience. For anything involving intellectual property or contracts, obtaining legal counsel is strongly recommended.

SECTION 01 · FRAUD

How to Avoid Scam Orders

Have you ever received an email from a potential customer looking to order hundreds or thousands of blank garments? It can look like easy money — order the blanks, mark them up, and profit. But a common scam plagues this industry, and if an order seems too good to be true, it usually is. These tips are shared from our sister company, Printavo.

What the Scam Is

> **“I’m interested in purchasing blank T-shirts to be picked up. I need 300 pieces, adult small, white, Gildan or Jerzees — can you get me pricing, and do you take credit card by email?”**
>
> **A representative scam message** | with a name, a phone number and a legitimate-looking email address

With a normal markup you might net a few hundred dollars. The problem is how it plays out:

- The fraudster pays with stolen payment information.
- The real account holder disputes the charge as fraudulent.
- You are out the product plus the money you thought was in the bank.

The address they give may be real, but it is unlikely they reside or do business there, and it probably will not match the billing address on the payment method. Depending on the order size, a single successful scam can put a shop out of business.

How It Typically Unfolds

- A generic email arrives from a new customer with a generic name and address.
- The greeting addresses a department rather than a person (“To the Sales Department”).

- The request is for several hundred common garments, often in two sizes, with no artwork.
- A legitimate address and phone number are given, but the sender resists phone contact.
- An employee views it as easy money, accepts the work and takes payment — after which the scammer goes quiet.
- The account holder disputes the charge, the bank sides with them, and the money is clawed back.

> **Why the charge clears at first**
>
> With a credit card, the fraudster has likely tested it on a small purchase elsewhere. With ACH or bank transfer, they rely on you not letting the authorization period pass — the payment can appear to clear before the multi-day window confirming the funds actually exist has passed.

Red Flags

- ⚠ **A large order of blank or generic designs in only a couple of sizes**
- ⚠ **Unusual urgency to process payment outside your normal routine**
- ⚠ **Greetings that do not address your company or any employee**
- ⚠ **Anyone who overpays and asks for the difference refunded to another account or method**
- ⚠ **A customer insisting on their own carrier, then possibly claiming non-delivery**
- ⚠ **Addresses that do not match what the customer told you when searched online**

Preventing Fraud at Your Shop

- ✓ **Educate front-end and sales staff about these scams and encourage flagging anything suspicious**
- ✓ **Verify new orders and customers over the phone — legitimate customers usually appreciate the outreach**
- ✓ **Watch for mismatched names, billing and shipping addresses, and payment-account details**

✓ **Allow adequate time for payment to clear, and be extra careful with suspicious rush requests**

Built-in payment safeguards

An embedded payment system can reduce risk with measures such as ACH pre-validation, velocity thresholds that block high levels of bad activity, reCAPTCHA to screen out bots and scripted card testing, CVV checks, and Address Verification Service (AVS) matching.

Other Scams to Watch

Overpayment

A fraudster "accidentally" overpays and asks for a refund to a different method. Enforce refunds only to the original payment method, and put that in your terms.

Friendly fraud

A legitimate cardholder disputes a real charge, by accident (an unclear statement descriptor) or on purpose. Clear return policies and a clear descriptor help.

Card testing

Fraudsters validate stolen cards through small transactions, often showing up as multiple failed attempts in a short window.

SECTION 02 · COPYRIGHT

Branded Merch and Copyright: Protecting Your Business

Shops juggle many jobs, and some carry an added layer of complication: copyrighted logos and trademarks. It can be tempting to skip the formalities and jump into production, especially on a large order, but doing so can expose your business to legal pitfalls. Rights holders and their firms actively pursue infringement, so using a protected logo or mark without authorization can lead to cease-and-desist orders or lawsuits that drain time, money and reputation.

To protect your business and your customers' intellectual property, consider engaging a lawyer to develop a procedure for any new order that may involve intellectual property rights.

Why Use a Copyright and Trademark Release Agreement

A Copyright and Trademark Release Agreement is a legally binding contract, typically between a business and its client, granting explicit permission to use the client's copyrighted logos, branding and trademarks on merchandise and promotional products. Securing it before production offers several benefits:

Legal clarity

A well-drafted agreement outlines the scope, duration and purpose of use, reducing misunderstandings.

Risk mitigation

Explicit permission helps you avoid legal action.

Trust and professionalism

A formal agreement signals due diligence and ethical practice.

Long-term relationships

Customers return when they know their intellectual property is safeguarded.

A template is ready for you

A ready-to-use template is available in the companion Copyright & Trademark Release Agreement document. To ensure any agreement best serves your situation, obtaining legal counsel is strongly recommended — this material is not legal advice.

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