

## TACKLING INTELLECTUAL PROPERTY CRIME

**IP crime is complex and fast-moving, evolving with technology, business and global trends.**

**1** The **online environment** brings new opportunities for counterfeiters and pirates.

- Online copyright infringement is a serious challenge. Illegal IPTV alone generates nearly **EUR 1 billion annually** to criminal enterprises across the EU.

*(source: Illegal IPTV in the EU, research on online infringing business models, November 2019, EUIPO)*

- The development of e-commerce and low postal costs have also led to counterfeit goods increasingly being shipped by small parcels and express courier.

**2** **IP crime is a serious matter**, established internationally with links to organised poly-criminality.

- The production and distribution of counterfeit products is linked to international organised crime groups, as well as to wider criminal acts, including fraud, tax evasion, cyber criminality and human trafficking.

*(source: Threat assessment report on counterfeiting and piracy, June 2019, Europol-EUIPO)*

- New transport routes offer further opportunities for imports into the European Union.

New technologies, such as blockchain and artificial intelligence, offer promising avenues for IPR enforcement. Combating IP crime efficiently requires strong and coordinated responses by all relevant stakeholders, such as policymakers, enforcement authorities, as well as industry and intermediaries.

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# IMPORTANCE OF INTELLECTUAL PROPERTY RIGHTS AND IMPACT OF INFRINGEMENT

*Intellectual property rights provide incentives and a fair reward for innovation and creativity, Europe's main assets.*

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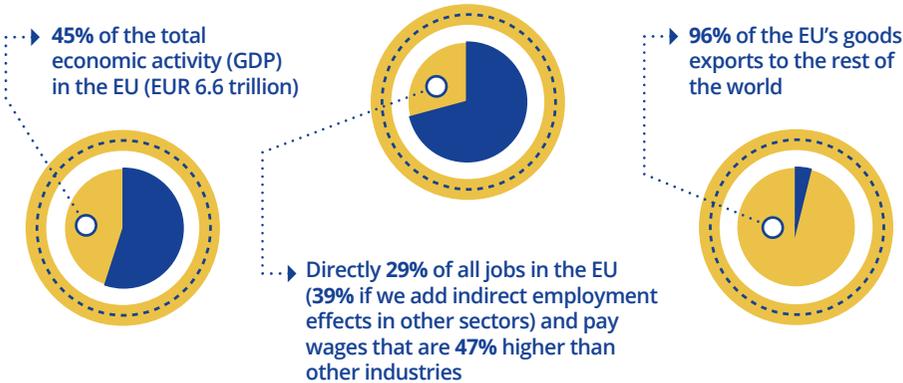


## VALUE OF INTELLECTUAL PROPERTY RIGHTS (IPR) IN THE EUROPEAN UNION (EU)

### ...for the economy



Industries that have a higher-than-average use of IPR account for:



(source: IPR intensive industries and economic performance in the European Union, September 2019, EUIPO-EPO)

### ... for small and medium-sized enterprises (SMEs)



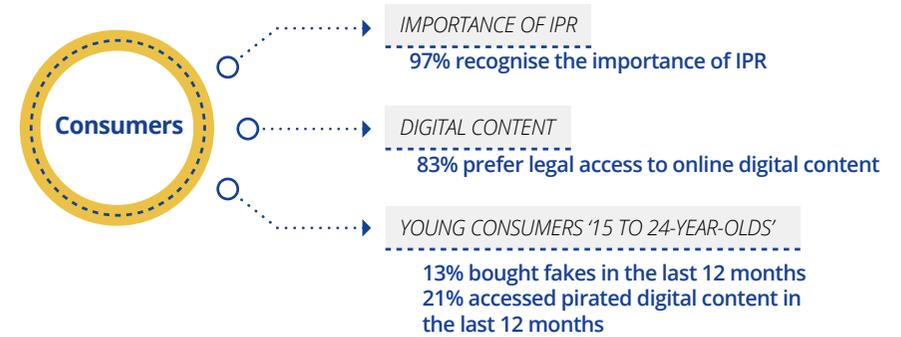
SMEs that own at least one trade mark, design or patent have:



(sources: High growth firms and IPR: IPR profile of high-potential SMEs in Europe, May 2019, EUIPO-EPO; IP and SME scoreboard, October 2019, EUIPO; IPR and firm performance in Europe, June 2015, EUIPO)

### ...for citizens and consumers

Citizens express a high level of support for IPR:



(sources: IP and Youth scoreboard, October 2019, EU citizen and IP, March 2017, EUIPO)

## IMPACT OF INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT



At EU level, the economic and social impact of IPR infringements is major, as shown in a series of studies of sectors particularly vulnerable to counterfeiting (including cosmetics, clothing, footwear, accessories, pharmaceuticals, wines, pesticides...)

- ▶ 6.8% of EU imports, or **EUR 121 billion**, consist of counterfeits.
- ▶ 6.4% of total sales are directly lost annually.
- ▶ **EUR 83 billion** in sales are lost per year.
- ▶ **671 000** jobs are lost per year.
- ▶ Governments across the EU lose annually more than **EUR 15 billion** in taxes and social security contributions.



▶ 3.3% of world trade, **EUR 460 billion** consist of counterfeit goods.

Counterfeit products present risks to the health and safety of consumers, as well as to the environment, as they do not comply with quality and safety standards. An increase of customs seizures of fake toys, pesticides and pharmaceutical products targeting serious diseases has been observed.

(sources: Trends in trade in Counterfeit and pirated goods, March 2019, OECD-EUIPO; Status report on IPR infringement, June 2019, EUIPO; Qualitative study on risks posed by counterfeits to consumers, June 2019, EUIPO)