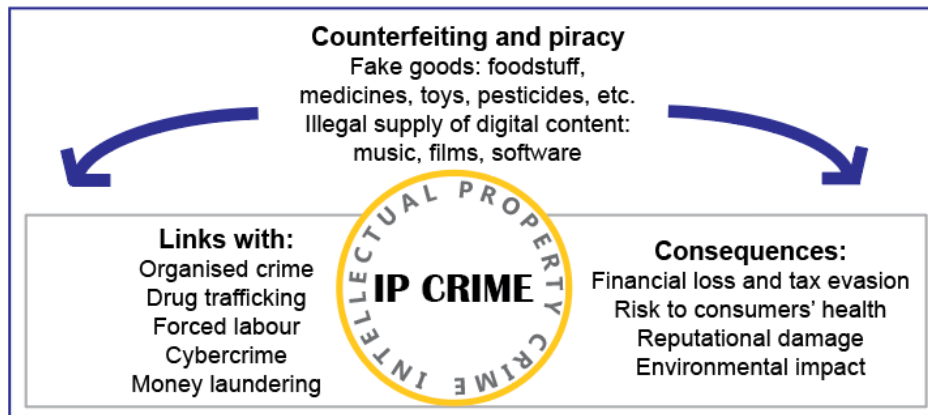


EMPACT (European Multidisciplinary Platform Against Criminal Threats): prioritising intellectual property (IP) crime law enforcement



1. Impact of IP infringements

IP crime refers to the infringement of intellectual property rights¹ in the form of counterfeiting or piracy and it is often committed by organised crime groups, which are also active in other serious crime areas.² Europol's threat assessments recognise that IP crime causes financial and reputational damage to legitimate business and results in substantial loss of tax revenues. More importantly, counterfeited products can pose serious threats to the health of consumers.

2. Links to organised crime

There is growing evidence of the involvement of **organised crime groups** in the infringement of IP rights and of **the link between IP crime and other crimes**, such as drug trafficking, forced labour, traditional cybercrime, fraud, document fraud and money laundering, with a high return on investment and a relatively lighter punishment (shorter prison sentences, lower fines) compared to other illicit activities.³

3. Protecting the health and safety of citizens

Counterfeit products (such as counterfeit toys, food/drinks, cosmetics, pesticides, in addition to pharmaceutical products⁴) present **serious risks to the health and safety** of citizens, as they generally do not always comply with quality and safety standards and can contain dangerous ingredients or components. Medicines to treat serious diseases are prone to counterfeiting,⁵ with potentially deadly consequences for patients.

The **COVID-19 pandemic** is providing further opportunities for organised crime groups engaged in the manufacturing and distribution of counterfeit goods⁶. These flexible groups take advantage of increased demand for relevant products such as personal protective equipment and testing kits. They prey on citizens' uncertainty about emerging treatments and

¹ Intellectual property rights protect: trademarks, designs, copyright and related rights, databases, topographies of a semiconductor product, patents, geographical indications, utility models, plant varieties, trade names, protection against unfair competition.

² [Intellectual Property Crime Threat Assessment 2019](#)

³ [IP Crime and its link to other serious crimes focus on poly-criminality](#)

⁴ [Report on the EU enforcement of intellectual property rights: results at EU borders and in Member States 2013-2017](#)

⁵ [OECD/EUIPO \(2020\), Trade in Counterfeit Pharmaceutical Products](#)

⁶ The ratification of the Council of Europe Convention on the counterfeiting of medical products and similar crimes involving threats to public health ([MEDICRIME Convention](#)) should improve the current situation but there is a need to go further.

vaccines. Besides, enforcers are not only dealing with counterfeit vaccines⁷, sanitisers and face masks, but they also have to face corruption, theft, scams, and other related frauds.⁸

4. Protecting EU companies from economic loss⁹



IP crime presents a major cost to the economy and society. It has an impact on the legitimate interests of **economic operators** in the EU, including SMEs, and hampers a level playing field in the internal market. The problem is growing; up to 6.8 % of imports into the EU are counterfeits (compared to 5% three years before).

The supply and consumption of copyright-infringing digital content across media such as films or music via the internet represents a lucrative market for infringers.¹⁰ Almost EUR 1 billion of unlawful revenue was generated by copyright infringing IPTV providers in the EU in 2018 and these services were used by 13.7 million people in the EU, corresponding to 3.6 % of the EU population.¹¹

5. Deterioration of the environment

Environmental damage can result from the production, use and disposal of counterfeit products, e.g. fake pesticides and chemicals. An enforcement initiative to tackle this issue is the law enforcement operation Silver Axe, which began in 2012 and now includes nearly 30 countries worldwide. Since its launch, 1 222 tons of illicit and counterfeit pesticides, herbicides and fertilizers have been seized by authorities.¹²

6. EMPACT cycles and IP crime prioritisation

In 2021, the Council of the EU will decide on the law enforcement priorities for the forthcoming cycle (2022-2025) of the EMPACT. In the first EMPACT policy cycle (2014-2017) IP, and specifically the “distribution of counterfeit goods with an impact on public health and safety”, was a priority. Such is not the case in the current 2018 – 2021 EMPACT.

The EMPACT priorities will be discussed in the COSI Committee (Standing Committee on Operational Cooperation on Internal Security) of the Council, assisted by the COSI Support Group, with final conclusions expected at the beginning of June 2021.

Due to its links with organised crime, to guarantee the protection of EU citizens’ health and safety, safeguard companies from economic loss and help the post pandemic economic recovery, it is important that IP is protected and IP crime is recognised as an EMPACT priority in its own right.

➤ For more information, please contact: observatory@euipo.europa.eu

⁷ <https://www.europol.europa.eu/newsroom/news/europol-predictions-correct-for-fake-covid-19-vaccines>

⁸ Awareness session on counterfeits - Vaccines during the COVID-19 pandemic, December 16th 2020, EUIPO.

⁹ [Trends in counterfeit and pirated goods, March 2019, OECD-EUIPO](#), [Status report on IPR infringement, June 2021, EUIPO](#), [Qualitative study on risks posed by consumers, June 2019, EUIPO](#). The figures of “annual loss” refer to 11 sectors only. The

total loss for the entire EU economy is much higher.

¹⁰ [2020 Status Report on IPR infringement](#), June 2020

¹¹ [Illegal IPTV in the European Union](#), November 2019

¹² <https://www.europol.europa.eu/newsroom/news/operation-silver-axe-strikes-for-fourth-time-seizing-over-550-tonnes-of-illegal-pesticides>