

10 December 2024

Joint Statement for the inclusion of Intellectual Property Crime as a priority in the European Union's EMPACT 2026-2029 policy cycle

As member associations collectively representing over 2,500 rights owners including SMEs and startups across all industry sectors who serve millions of European consumers every day, we strongly support the inclusion of Intellectual Property Crime as a priority in the European Union's European Multidisciplinary Platform Against Criminal Threats (EMPACT) 2026-2029 policy cycle.

This will not only fortify ongoing efforts to protect consumer health and safety, but also bolster the European Union's competitive edge in the global market.

We must continue to recognize the persistent threat from counterfeiting and IP crime and understand that the fight against counterfeiting requires all stakeholders from law enforcement and border protection, rights owners and policy makers to cooperate and collaborate effectively and seamlessly. We must also continue to raise awareness of counterfeiting and its dangers and impacts within the legislative bodies, judiciary, industry and consumers at large. Only together can we ensure that the EU can compete at the global level.

Counterfeiting remains a significant threat to the European Union

Intellectual property (IP) crimes pose a significant and growing threat to the economic stability and innovation capacity of the European Union.

Counterfeiting and piracy crimes not only undermine the rights of creators and businesses, but also support organized crime networks, leading to broader economic and societal harms including billions of Euros lost in reduced tax revenues, hundreds of thousands of jobs lost each year and compromised consumer health and safety. Furthermore, with increasing climate unpredictability, tackling the unnecessary waste and environmental harm as a result of counterfeits massively entering the EU is of critical importance and cannot be ignored.

Recent studies by the EUIPO, Europol and the European Commission confirm this:

- The January 2024 EUIPO Observatory study on the "Economic impact of counterfeiting in the clothing, cosmetics, and toy sectors in the EU" revealed significant losses: the legitimate clothing industry lost nearly EUR 12 billion in sales annually from 2018 to 2021 and employed 160,000 fewer people each year, with counterfeit clothing accounting for 5.2% of total sales in the EU. The cosmetics industry lost EUR 3 billion in sales due to counterfeiting, representing 4.8% of total sales, and saw a reduction of 32,000 jobs. The toy industry experienced the highest impact, with 8.7% of sales lost to counterfeiting, amounting to EUR 1 billion, and a loss of 3,600 jobs. These figures highlight the severe economic impact of counterfeiting on these sectors and are a segment of a much broader issue impacting the European Union.
- The September 2024 published EMPACT 2023 Results Factsheet reported that counterfeit products with a value of €205m were seized, which included €64m in falsified and substandard medicines and medical devices, €19m of fake toys, €8.5m in fake clothing and accessories, 2,040 tons of fake or illegal pesticides and €5m in forged currency.¹
- The October 2024 EUIPO and Europol Report "Uncovering The Ecosystem Of Intellectual Property Crime" highlights how criminal networks will continue to thrive on opportunities presented by ever advanced technologies, globalization and digital interconnection, against a backdrop of a sustained consumer demand for counterfeit goods.² Critically the report draws attention to the fact that "while IP crime is enabled by a number of activities and systems, IP crime in its turn also facilitates other types of serious and organised crime. The commission of IP crime may further other forms of serious and organised crime, such as cyber-attacks, online fraud, VAT and excise fraud, sports corruption, money laundering."
- The November 2024 joint report by the EUIPO and the European Commission revealed that detentions of counterfeit in the EU have reached new heights, with law enforcement authorities detaining 152 million fake articles in 2023, a 77% increase from the previous year. The estimated value of these counterfeit goods, seized at both EU borders and within the internal market, raised to EUR 3.4 billion, a 68% increase on 2022.³

With the continuing challenges posed by new technologies, increasing use of social media and closed group messaging and cryptocurrencies by counterfeiters and criminals, there is an ever increasing need to tackle IP crime in a robust and coordinated manner under the EMPACT framework.

¹ https://www.europol.europa.eu/publications-events/publications/empact-2023-results-factsheets

² https://www.europol.europa.eu/publications-events/publications/uncovering-ecosystem-of-intellectual-property-crime

³ https://taxation-customs.ec.europa.eu/news/eu-seizes-record-152-million-fake-items-worth-34-billion-eur-2023-2024-11-13_en

Building on the success of tackling IP Crime within EMPACT

Law enforcement including customs officers, police and market surveillance authorities work tirelessly and diligently to prevent consumer harm, uphold the law and protect the integrity of business in the European Union by tackling IP crime.

The 2022 EMPACT results for IP Crime revealed seizures of 9.4 million counterfeit cosmetics and perfumes; 1.2 million counterfeit car parts; 100 kg of illicit drugs (NPS, anabolic substances) and 2 million pharmaceutical products; and 320,000 counterfeit clothes and accessories. The counterfeit products seized were assessed with a value of \in 42 million and 4,419 websites were taken down along with 133 instant messaging and social media accounts. The EMPACT results originated from 51 investigations and 115 arrests.

Crucially, the latest EMPACT's results for 2023 showed a growing momentum of success by law enforcement in with 1,406 IP crime investigations launched in between 2022-2023 with 1,096 arrests and over 1,200 judicial cases filed. But this tireless work is not and will never be finished.

By continuing to prioritize IP crimes, EMPACT can build on the foundations of enhanced cross-border and private sector cooperation, robust enforcement efforts, and foster a more secure environment for consumers, innovation and creativity.

Therefore, we stress the inclusion of IP crime as a priority in the EU Commission's EMPACT policy to demonstrate the EU's commitment to protecting its intellectual assets and ensuring a fair and competitive market for all its member states.

Multi-Industry and Association Member Support

As member associations collectively representing rights owners from SMEs to multinationals across every industry sector, we draw attention to the challenges that counterfeit goods pose to consumers and legitimate businesses across the European Union and why we support IP Crime being included as an EMPACT priority. Below are statements provided by the organizations supporting this statement:

"A structure of coordinating international exchanges of information, analysis and communications is vital in the fight against transnational organised crime. The EU's SOCTA (EMPACT) structure is globally acknowledged, as it brings together the assessment of threats from 27 different countries. It has an international influence on guidance, assessment and planning to combat serious and organised crime threats." **Phil Lewis, Director General, The Anti-Counterfeiting Group (ACG)**

"IP crime is interconnected with, and provides seed financing for, a plethora of other global organised crimes that are wreaking havoc on Europe's consumers, environment and innovators and creators of all sizes, as evidenced by Europol. Our state finances, and the EU's very competitiveness, are under attack. The inclusion of IP crime as a priority in the current EMPACT policy cycle has been hugely beneficial, as it has empowered our law enforcement authorities to successfully conduct multiple concrete actions against the organised crime groups targeting our people and markets. As manufacturers of trusted consumer goods, every member of AIM, the European Brands Association, has consumer protection in its DNA. We respectfully call upon all Member States to ensure that IP crime is retained as a priority for the EU's next EMPACT cycle so that our authorities and businesses can fight back against this menace." Michelle Gibbons, Director General, AIM – European Brands Association

"ANDEMA strongly supports the continued prioritization of IP crime within the EU's EMPACT framework. We believe that a collaborative approach is essential to protect consumers, businesses, and economies. By working together, we can disrupt criminal networks, dismantle illicit supply chains, and promote innovation." Gerard Guiu Ribé, Director General, Asociación para la Defensa de la Marca (ANDEMA)

"Intellectual property crime must be seen as what it is - a serious form of organized crime threatening one of the foundations of our economic system. It is causing billions of Euros of damages and is unscrupulously risking consumers' health and even lives. Any single counterfeiting case usually spans across multiple countries, so local law enforcement often reaches its limits. Counterfeiting has always prospered in difficult economic times, so now is not the time reduce pressure, but stay firm in our case. We would therefore like to express our gratitude for considering this statement and note that we are always open to further discussions." **Volker Bartels, Chairman, APM e.V.**

"FACG strongly supports this valuable joint initiative. Now is perfect time to keep momentum in countermeasures of IPR crime and illicit trade - to protect wellbeing, security and sustainability in Europe and in friendly partner countries." **Tuomas Kannas, Chair of the board, Finnish Anti-Counterfeiting Group**

"The GACG (Global Anti-Counterfeiting Group) firmly believes that Europe has a pivotal role to play in the fight against counterfeiting. If Europe tackles this issue with the ambition and prioritization it requires, it can set a powerful example for the rest of the world to follow. Strong European leadership in this area has the potential to inspire other regions to take coordinated and decisive action against this global threat. Counterfeiting knows no borders, and combating it requires strengthened international cooperation, involving governments, public authorities, and private stakeholders alike. GACG therefore calls for collective mobilization to safeguard innovation, protect consumers, and uphold market integrity." Delphine Sarfati-Sobreira, President, Juna Shehu, Vice President, Gérard Guiu, Vice President, GACG (Global Anti-Counterfeiting Group)

"The continuation of IP as a priority for the next EMPACT policy cycle (2026-2029) would strongly contribute to continued coordination and achieve a more multidisciplinary and effective approach, finding synergies with other priorities. Cooperation through EMPACT as a solution would protect consumers, environment as well as EU economy. Therefore, joint action and support between our Associations is crucial to the achievement of said goal and would positively contribute to raise awareness on the importance of fighting IP Crime." Juna Shehu, Director General, INDICAM

"Anticounterfeiting is a policy priority for the International Trademark Association and for our members across all industry sectors. On behalf of our global membership and in collaboration with all stakeholders, we are continually enhancing our anticounterfeiting strategy and tactics, and our commitment to the European Union and global fight against IP Crime is unwavering. The inclusion of IP Crime as an EMPACT priority for the next policy cycle would signal to counterfeiters everywhere that Europe is committed to taking decisive action to protect intellectual property rights and uphold the integrity of global markets. This would not only deter counterfeiters, but also foster innovation and economic growth by ensuring that legitimate businesses can thrive without the threat of IP crime." Etienne Sanz De Acedo, CEO, International Trademark Association Inc.

"The SACG considers it a top priority to support EMPACT's efforts in combating intellectual property (IP) crime, which is increasingly linked to organized crime. The relatively low penalties for IP infringements, combined with the significant profits generated, provide criminal networks with the resources to fund other illicit activities. IP crime undermines the income and innovation capacity of legitimate businesses, both large and small, which in turn affects the labour market, competitiveness, and tax revenues. IP infringement poses not only a serious threat to our economy but also harms society by jeopardizing consumer health and safety, as well as damaging the environment. To safeguard our society, consumers, businesses, and the environment, it is essential for all stakeholders to collaborate and share information at national, regional, and international levels. Without cooperation and active participation, tangible results will be difficult to achieve. SACG views EMPACT's work against IP crime as crucial in protecting our society." Helena Reimers, Chairman of the Board at Swedish Anti-Counterfeiting Group

"Counterfeiting and other forms of illicit trade threaten UN goals for peace and prosperity by feeding violence, exploiting women and children, undermining trust in institutions and the rule of law, generating enormous illicit financial flows, breeding corruption, and financing terrorism." Jeffrey P. Hardy, Director-General, Transnational Alliance to Combat Illicit Trade (TRACIT).

"UNIFAB fully supports the inclusion of Intellectual Property Crime as a priority in the EMPACT 2026-2029 cycle. In the face of the growing threat of counterfeiting, strengthened cooperation is essential to protect consumers, ensure security, and safeguard rights holders as pillars of innovation." **Delphine Sarfati-Sobreira, Director General, Union des Fabricants (UNIFAB)**

Our associations would like to thank the Members of Council of the European Union and the Standing Committee on Operational Cooperation on Internal Security (COSI), for its consideration of this statement.

We welcome the opportunity to provide further comments to support this important topic as the Standing Committee on Operational Cooperation on Internal Security (COSI) makes its decision on the EMPACT priorities for the 2026-2029 cycle.

List of Signatories and About the Associations



The Asian Coalition Against Counterfeiting and Piracy (ACACAP) is a brand-led member organization focused on intelligence gathering, proactive investigations, enforcement actions, and all customs matters, including training. Our mission is to empower brands to achieve their goals through intelligent strategies. A carefully developed network of investigation and law firm partners is tasked with identifying sellers, manufacturers, and distributors of infringing goods from all sectors. Through excellent relations with enforcement, we can ethically disrupt and disable supply chains and create financial disincentives for investors and producers of infringing goods. For more information please contact: Andrew Bradshaw, CEO, andrew.bradshaw@acacap.org



The Anti-Counterfeiting Group (ACG), is the UK's not for profit trade association, representing over 3,000 international brands in the continuous fight against intellectual property (IP) crime that operates across intercontinental borders. To combat this international danger ACG provides, essential, intelligence-based support to UK and international, enforcement authorities and policy makers. As a result, we are recognised as a "go to" hub for an international network of bodies engaged in the fight against criminal counterfeiting. As such we need to be aligned with our nearest partners. For more information please contact: Phil Lewis, Director General, phil.lewis@a-cg.com



The Anti-Counterfeiting Collaboration, Nigeria (ACC) is a non-governmental, not-for-profit coalition that was formed in October 2006 as a pressure group to assist in the reform of intellectual property laws in Nigeria. The aim of the ACC is to bring brand owners, regulatory agencies, interest groups, and the public together to fight against counterfeiting, infringement, and piracy in Nigeria. **For more information please contact:** Uche Nwokocha, Secretary, info@anticounterfeiting.ng



EUROPEAN BRANDS

ASSOCIATION

ANDEMA is a non-profit-making association representing companies from a range of sectors. At present, it has over 90 members, of all sizes and turnovers, all united by a common cause: the protection of Industrial Property Rights both in Spain and at European and international level. For more information please contact: Gérard Guiu Ribé, Director General, gerard.guiu@andema.org

<u>AIM</u> (Association des Industries de Marque) is the European Brands Association, which represents manufacturers of branded consumer goods in Europe on key issues that affect their ability to design, distribute and market their brands. AIM comprises 2500 businesses ranging from SMEs to multinationals, directly or indirectly through its corporate and national association members. Our members are united in their purpose to build strong, evocative brands, placing the consumer at the heart of everything they do.

AIM's mission is to create for brands an environment of fair and vigorous competition, fostering innovation and guaranteeing maximum value to consumers now and for generations to come. Building sustainable and trusted brands drives the investment, creativity and innovation needed to meet and exceed consumer expectations. For more information please contact: Marie Pattullo, Senior Manager Trade Marks and Brand Protection, <u>marie.pattullo@aim.be</u>



The Aktionskreis gegen Produkt- und Markenpiraterie e.V. or APM is a joint initiative of the Association of German Chambers of Industry and Commerce (DIHK), the Federation of German Industries (BDI) and the German Brands Association (Markenverband). In the APM, well-known companies from a wide range of industries have been working together since 1997 to create an environment that protects businesses and consumers from damage caused by counterfeits. **For more information please contact:** Peter Gretenkord, Legal Affairs p.gretenkord@apm.net

F/ICG

The Finnish Anti-Counterfeiting Group (FACG) is a Finnish association campaigning against counterfeiting, piracy and illicit trade. FACG was founded in 1998 and joined the Global Anti-Counterfeiting Network (GACG) the same year. The members (circa 100) mainly consist of representatives of the Finnish industry as well as of Finnish experts and attorneys specialized in intellectual property rights. The most important aim of FACG is to promote a better understanding of the importance of anti-counterfeiting work and to work for effective enforcement of the anti-counterfeiting laws. FACG informs its members and the public of the current trends in counterfeiting and the changing legislation in the field. **For more information please contact:** Tuomas Kannas, Chair of the board at FACG, tuomas.kannas@truemedinc.com



More than 20 years ago, UNIFAB, the French association for the promotion and protection of intellectual property rights, together with Indicam in Italy, Andema in Spain, ACG in the UK and APM in Germany, came up with the idea of creating a European association, which has now become international, to speak with one voice to policymakers, build impactful dialogue with the digital world, share international best practices and data, and raise consumer awareness about the consequences of counterfeiting.

Today, the GACG is an international network bringing together national and regional organizations dedicated to the protection and enforcement of intellectual property rights, covering more than 15 countries. Its main objectives are to coordinate international actions of its members, share best practices and information, and carry out joint actions to address global challenges related to intellectual property rights enforcement. **For more information please contact:** Delphine Sarfati-Sobreira, President <u>ds@unifab.com</u>, Juna Shehu, Vice President juna.shehu@indicam.it, Gérard Guiu, Vice President (gerard.guiu@andema.org



INDICAM was founded in Milan, Italy in 1987. The Association represents today over 190 members, operating in several industrial sector such as: fashion, luxury, jewelry, watches, accessories, furniture, textile, food & beverage, tabacos, home appliances, automotive and ecc., businesses that with their revenues represent almost 3% of the Italian GDP.

INDICAM operates as a *trait d'union* between brands and national and / or European authorities, be they institutions, law enforcement agencies, companies or consumers, as a privileged observatory on all issues regarding IP. For more information please contact: Juna Shehu (Mrs.), Director General, juna.shehu@indicam.it



The International Trademark Association (INTA) is a global association of brand owners and professionals dedicated to supporting trademarks and complementary intellectual property (IP) to foster consumer trust, economic growth, and innovation, and committed to building a better society through brands.

Members include nearly 6,500 organizations, representing more than 34,350 individuals (trademark owners, professionals, and academics) from 185 countries, who benefit from the Association's global trademark resources, policy development, education and training, and international network. **For more information please contact:** Tat-Tienne Louembe, Chief Representative Officer, Europe and IGOs <u>tlouembe@inta.org</u> and Alastair Gray, Director of Anticounterfeiting <u>agray@inta.org</u>.



Swedish Anti-Counterfeiting Group (SACG) is a Swedish association and member of GACG that works to prevent piracy and trade of counterfeit products, through advocacy, lobbying, seminars, preparation of referrals and policy initiatives on national and international level as well as cooperation with law enforcement authorities and various governmental bodies. Among our members are representatives of national and international companies, interest and industry organizations, authorities, law and consulting firms, Swedish universities, and colleges as well as private individuals. For more information please contact: Helena Reimers. Chairman of the Board at Swedish Anti-Counterfeiting Group. helena.reimers@reimersip.com



TRACIT is organized as an independent, non-governmental, not-for-profit organization under US tax code 501(c)(6). Membership is open to corporations and select trade associations committed to mitigating the economic and social impacts of illicit trade. TRACIT member companies encompass 1,500 globally recognized brands and subsidiaries, operate in 190 countries and employ 800,000 people. TRACIT is also supported by a global network of Alliance Partners that represent over 800 companies. Collectively, they constitute a transnational business voice that stands with TRACIT against illicit trade and its negative impacts on society. **For more information please contact:** Jeffrey P. Hardy, Director-General, Transnational Alliance to Combat Illicit Trade (TRACIT), jeff.hardy@tracit.org



UNIFAB is the French association for the promotion and protection of intellectual property rights, founded in 1872 by a group of pharmacists willing to gather together to find common answers to the raise of counterfeits related to their industry.

Today, and after 150 years of work, UNIFAB gathers together around 200 companies and professional federations, from all sizes (SMEs, multinationals) and most importantly, all sectors of activity (automotive, cosmetics, wines and spirits, electronic devices, toys, apparel, daily consumer goods, luxury items, etc.). Even though UNIFAB is a French association, almost 30% of its members are international ones.

This association is organized around 4 principal missions:

- Trainings of operational agents from Customs, Police and French Gendarmerie.
- Public awareness campaigns and events related to IP rights
- Influence with a strong relationship with the French government and European instances
- Dialogue, exchanges and cooperation with ecommerce platforms and marketplaces.

For more information please contact: Delphine Sarfati-Sobreira, CEO <u>ds@unifab.com</u>, Régis Messali, Deputy CEO in charge of communication and development <u>rm@unifab.com</u> and Alice Rolain, Public affairs and legal officer <u>arolain@unifab.com</u>



UAACP was established in 2003 as with the support of the Global Anti-Counterfeiting Group (GACG) to increase the effectiveness of intellectual property rights holders in the campaign against the trade in fakes in the Ukraine and in international commerce with Ukraine. The Alliance has already been working with both private and public organisations in Ukraine and internationally to:

- Initiate direct action on behalf of members or groups of members.
- Lobby for more effective legislation in Ukraine and for Ukraine's compliance with international obligations.
- Educate and train enforcement agencies and government officials.
- Organise conferences and workshops for rights holders.
- Provide an effective network of information and assistance for members (rights holders and their representatives).
- Raise awareness with the public, government and the enforcement agencies about the economic and social costs of counterfeiting and piracy.

For more information please contact: Antonina Pakharenko-Anderson, President, pakharenko@pakharenko.com.ua