



**AIM** 

**EUROPEAN  
BRANDS  
ASSOCIATION**

# **Brands & the Digital Service Act**

18 February 2020  
**European Parliament IMCO**

# People at the heart of every brand



**Inspired  
by People**



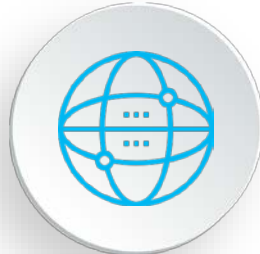
**Drivers of  
Innovation**



**Leading in  
Sustainability**

# The Facts

Counterfeit  
and pirated  
goods  
account for:



**3.3 % of world trade;**  
EUR 459 billion / USD 509 billion

2013: 2.5% & USD 461 billion



**6.8% of all imports into the EU;**  
€121 billion/USD 134 billion

2013: 5%

➤ **35% increase in 3 years**

**“Between 2013 and 2016, the share of trade in counterfeit and pirated goods in global trade grew very significantly. Moreover, this growth was reported during a period of a relative slowdown in overall world trade.”**

*Trends in Trade in Counterfeit and Pirated Goods, OECD & EUIPO, June 2019 (data for 2016)*



# The Facts

Even though IPR-intensive industries generate:

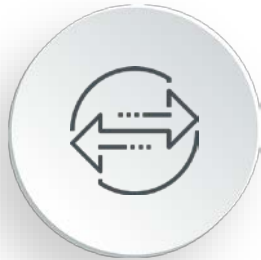


▶ 44.8% of EU GDP (€6.6 trillion) p.a.  
63 million direct + 21 million indirect jobs = 38.9% of all EU jobs



▶ 89% of EU imports & 96% of exports (goods)

Seizures at EU's external borders have never been lower:



▶ 2018: Under 27 million items  
(15% drop since 2017 (over 31m)  
2008 – 180m)

*IPR-intensive industries & economic performance in the EU, EUIPO & EPO, September 2019 (data 2014-16)  
Report on EU customs enforcement of IPU rights: Results at the EU border, 2018*

# .....and the reality



Political priorities, reduced law enforcement resources  
Little control of volume cargo (maritime, air); shift to small shipments.

Sea + road + air = **16.68% of cases = 84.51% of articles**

Post + express = **83.29% of cases = 15.24% of articles**



**Feeds false narrative:** counterfeiting has all moved online

- It's an additional channel to reach & deceive consumers
- Small consignments matter but not at the expense of volume



**"Visibility" in the counterfeit supply chain:**

Data protection / commercial interests block knowledge of customers/ users of intermediaries & domain name owners: Shippers, transporters, payment processors, online platforms & marketplaces, registries & registrars, postal operators, couriers...

**Expanding:** FTZs, Belt & Road Initiative, global e-platforms & marketplaces, domain name space

# Practical focus of brands



## Training customs officials

Trainings to spot illegal goods, trends we see in illegal goods



## Sharing brand product information

Provide product information to know the genuine article



## Sharing data and intelligence

Alerting authorities of illegal goods,  
Sharing intel on locations, manufacturers



## Counterfeit supply chain....

Daily interaction and experience across companies

# So what can be done?



## Update Legal framework

- Legislative incentive for pro-active measures
- **Compliance by design!**
- Same rules for everyone
- Reflect the role platforms play



## Pro-active actions

Measures preventing access for rogue traders – verify businesses – tackle fake accounts (business posing as consumers)



## Data needs and transparency

Customs, enforcement, brands and consumers  
Know what you are selling  
What was removed  
Pro-active measures



## What is illegal offline should be illegal online

Rogue traders – EU or third country



# Contact

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## AIM - European Brands Association

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