Global Impact of Intellectual Property Crime and Links to Organised Crime
What is Intellectual Property?

- What is included in the term Intellectual Property?
- Name some types of IP
- What offences are officers most likely to encounter?
- What products are likely to be counterfeited?
Definitions

According to the TRIPS Agreement:

**Counterfeit trademark goods**: “any goods, including packaging, bearing without authorization a trademark which is essential to the trademark validly registered in respect of such goods, or which cannot be distinguished in its essential aspects from such a trademark, and which thereby infringes the rights of the owner of the trademark in question under the law of the country of importation.”

**Pirated copyright goods**: “shall mean any goods which are copies made without the consent of the right holder or person duly authorized by the right holder in the country of production and which are made directly or indirectly from an article where the making of that copy would have constituted an infringement of a copyright or a related right under the law of the country of importation.”
What is Organised Crime?

“A structured group of three or more persons, existing for a period of time and acting in concert with the aim of committing one or more serious crimes or offences established in accordance with this convention, in order to obtain, directly and indirectly, an economic or other material benefit.”

* Structured group of three or more persons
* Existing for a period of time
* Wilful perpetration of serious crimes to obtain direct or indirect financial or other material benefit
  + interconnection with other forms of illegal trade (trafficking in arms, drugs, human beings, etc.)
  + exercise of illegal practices such as blackmail, extortion, corruption, bribery, intimidation, murder...
  + adoption of marketing strategies and commercial practices
  + transnational criminal networks

*Well-organised transnational criminal activity (illegal mass producers)*
Why is counterfeiting attractive to Organised Crime?

- Low cost and high profit margins
- Risk of detection less than other crime
- Lack of deterrent sentences
- They can use established supply chains
- Linked to other criminality
- May be just part of a much wider criminal portfolio
Scale of Counterfeiting and Piracy

- **OECD report**: Estimated to be 5% of world trade. $200 Billion US in 2005. Does not include domestically produced product or digital product distributed by the internet.

- **WCO**: 13,280 cases involving the seizure of counterfeit goods were reported by the national customs administrations of the WCO Member States, while the total number of products seized totalled 291 million. (2009)

- **DG TAXUD**: 43,572 cases were registered on EU borders in 2009, totalling almost 118 million articles. In 2010 almost 80,000 interventions.
Case study - Europol

- Camorra
- Importation and sale of machinery
- Simultaneous raids in Czech Republic, Germany, France, Sweden, Spain and the UK
- Suspects and counterfeits in 20 locations
- Part of a two year enquiry, over 60 arrests and 800 tons of counterfeits seized.
Video clip _ Italy
Examples of product seized in Brussels. Goods were sold by door-to-door salesmen all related to organised crime syndicates masterminded by a restaurant owner linked to the Camorra in Naples.
Case Study – Czech Republic

Czech Republic
Asian Dragon Market
Cheb
2-3 December 2006
Case Study - England

- 21 illegal Chinese immigrant cockle-pickers drowned as their unlicensed gang master forced them to work in dangerous conditions. Police found evidence that the head of the syndicate ran an extensive human-smuggling operation at his numerous residences. In gathering evidence, police also found more than 4,000 counterfeit DVDs, as well as computers containing counterfeit materials. This case highlighted the “range of possible entry methods exploited by Chinese organized immigration crime groups.”
Case study - Romania

- Romanian Border Guards break organised gang smuggling tobacco, fake perfumes into Europe.
- Goods entering the port of Constanza were shipped to Austria, Belgium, Bulgaria, Germany, Holland. All goods imported from Turkey.
- Police & customs units from these countries coordinated by OLAF ensured maximum impact
- Total Fraud 21 Million Euros
Customs seizure - UK

- Video clip of customs seizure illustrating problem of identification of product that consumer and other persons face when encountering fake product for the first time.

  http://news.bbc.co.uk/2/hi/uk_news/england/8376625.stm
Global trade - Fake medicines

- One third of all fake medicines seized in the EU come from the UAE.

Police Raids - London

- Police investigation illustrates how counterfeit business is structured and profits available.

- [http://news.bbc.co.uk/2/hi/uk_news/8576691.stm](http://news.bbc.co.uk/2/hi/uk_news/8576691.stm)
Questions?