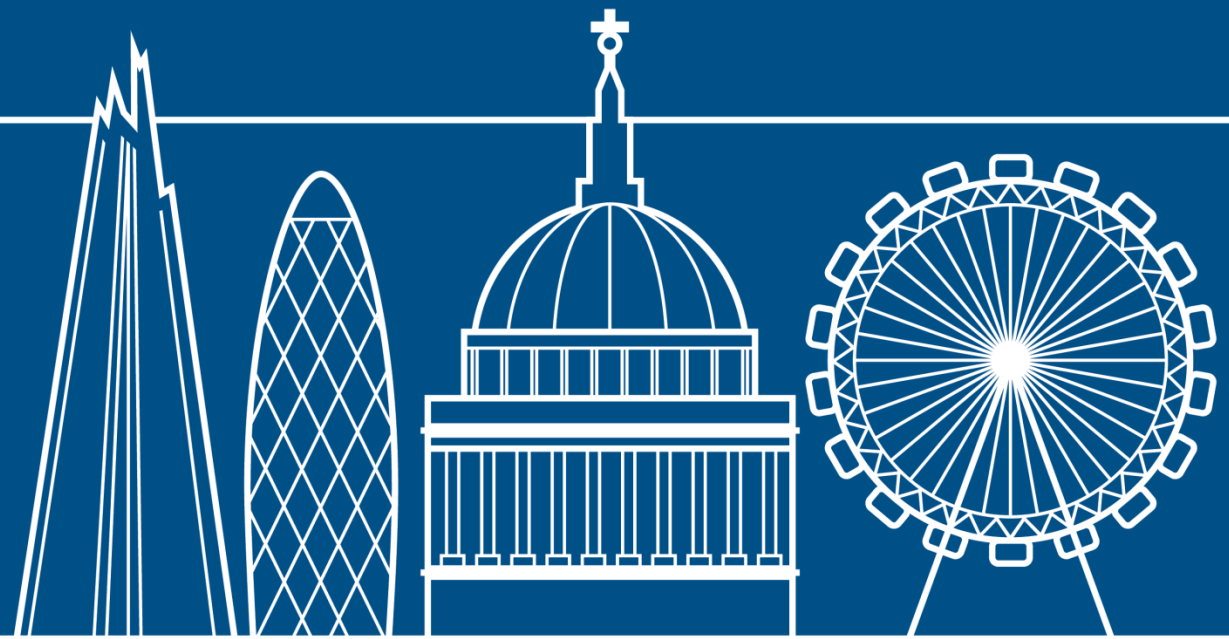




FICPI ExCo & 21st Open Forum

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The unglamorous side of counterfeit goods

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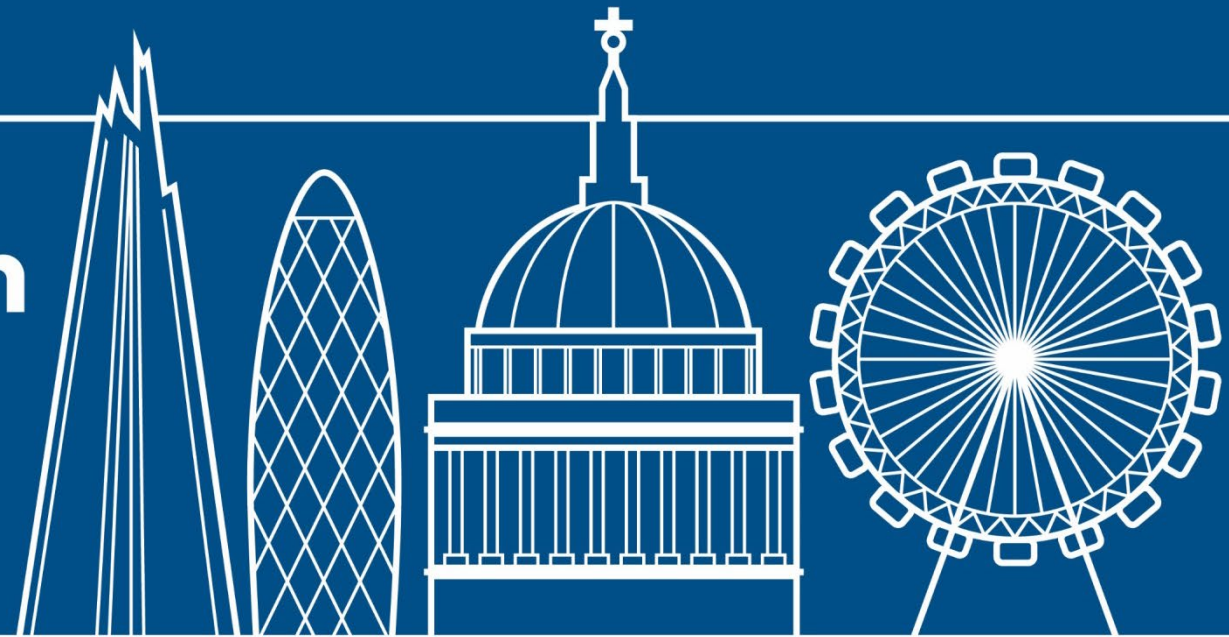
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Introduction and European perspective

Luis-Alfonso Durán

Spanish and European Patent, Trade Mark and Design

Attorney, Durán-Corretjer, S.L.P.

Spain



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Luis-Alfonso Durán



Andrew Masterson



John Pickerill



Neha Chugh



Pawat Varapirom



Problems caused by illicit trade (I)

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- Illicit trade in counterfeit and pirated goods:
 - Poses a major challenge to a global economy.
 - It is dangerous for consumers.
 - Damages economic growth.
 - Fuels organised crime.
- The COVID-19 pandemic has broken supply chains and shifted demand creating new potential for counterfeit products.



Problems caused by illicit trade (II)

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- There is a tendency to associate mainly counterfeit with luxury products .
- This creates the false impression that counterfeit products represent no risk for society.
- It is believed that those who buy faked products, at a lower price than the original goods, know what they do and normally are not deceived generating no damage for consumers.
- However, normally, counterfeit products in addition of infringing IP rights represent other problems for society, when the counterfeit products do not comply with the appropriate health, safety or environmental standards, threatening public safety.
- In addition, illicit trade causes other problems to society, like tax evasion, labour exploitation, environmental pollution, also threatening social welfare.



How governments control the safety of products?

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- The safety of goods is ensured by appropriate regulatory requirements, norms and standards legislation like:
 - General Products Safety Directive (European Union).
 - Norms produced by the Foods and Drug Administration (FDA) (US).
- In principle both genuine and counterfeit products may not comply with the safety requirements.
- However, the risk of counterfeit goods non complying with specific health, safety and environmental standards is higher than in original goods, due to the lack of respect of legality that normally have counterfeiters.



Harmonised Safety Standards in the EU

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- The General Product Safety Directive sets out a general product safety requirement, applicable to all products and risks not covered by specific harmonisation legislation.
- Those standards are developed by recognised European Standards Organizations like:
 - CEN: European Committee for Standardization.
 - CENELEC: European Committee for Electrotechnical Standardization.
 - ETSI: European Telecommunications Standards Institute.
- CE marking indicates that a product has been successfully assessed to meet safety, health and environmental protection requirements.
- Products that require CE marking must undergo quality checks. This includes: machinery, toys, electrical equipment, medical devices and construction products.
- Apart from the Harmonized Products system, certain products are supervised by EU agencies like:
 - ECHA: European Chemicals Agency (chemical products).
 - EMA: European Medicines Agency (medicinal products).
 - EFSA: European Foods Safety Agency (food products)



Dangerous Products – Types of Risks (I)

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- Effects on health:
 - Pharmaceutical products (medicines).
 - Alcohol beverages (i.e.: use of methanol instead of ethanol, may produce blindness).
 - Cosmetics (i.e.: some contain carcinogens).
 - Toothpaste: (i.e.: some components may provoke kidney and liver diseases).
 - Contact lenses (i.e.: may be contaminated with hazardous bacteria).
- Effects on safety:
 - Toys and children's equipment.
 - Recreational equipment.
 - Electrical and electronic products:
 - ❖ Semiconductors.
 - ❖ Batteries.
 - ❖ Power adapters.
 - Automotive parts:
 - ❖ Airbags.
 - ❖ Body and structural parts.
 - ❖ Brakes.
 - ❖ Engine and drive train.
 - ❖ Suspension parts.
 - ❖ Wheels and tires.
- Personal protective equipment. i.e. respirators.



Dangerous Products – Types of Risks (II)

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- Environmental impact:
 - Pesticides and agrochemicals.
 - Pharmaceuticals, cosmetics and medical equipment (disposal).
 - Information and communication technology and other electronic devices.
- Personal security:
 - Cyber crime.



- OECD and EUIPO have recently published a paper on Illicit Trade entitled “Why Do countries import fakes?” where they analyse the linkages and correlations with the main social-economic indicators.
- Today we will listen to presentations of high, qualified experts that will give us a perspective of this problem in London, the US, India and Thailand.



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The real cost of IP Crime

Detective Sargant Andrew Masterson

Police Intellectual Property Crime Unit, City of London Police

United Kingdom



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What we do

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Disruption Operations:

- **Operation Ashiko** targets the sale of online physical counterfeit goods and aims to seize the domains of infringers.
- **Operation Creative** targets digital piracy by restricting payment provision and advertising revenue on infringing websites.
- **Operation Sanction** targets sellers and infringers by carrying out physical visits to premises in a cease and desist initiative.



Partnership and collaboration

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Law Enforcement and Government

- The UK Intellectual Property Office
- National Trading Standards UK
- Europol (EUIPO)
- Homeland Security Investigations (USA)
- UK Border Force
- HMRC
- The National Crime Agency
- The New York District Attorney's Office

Secondees

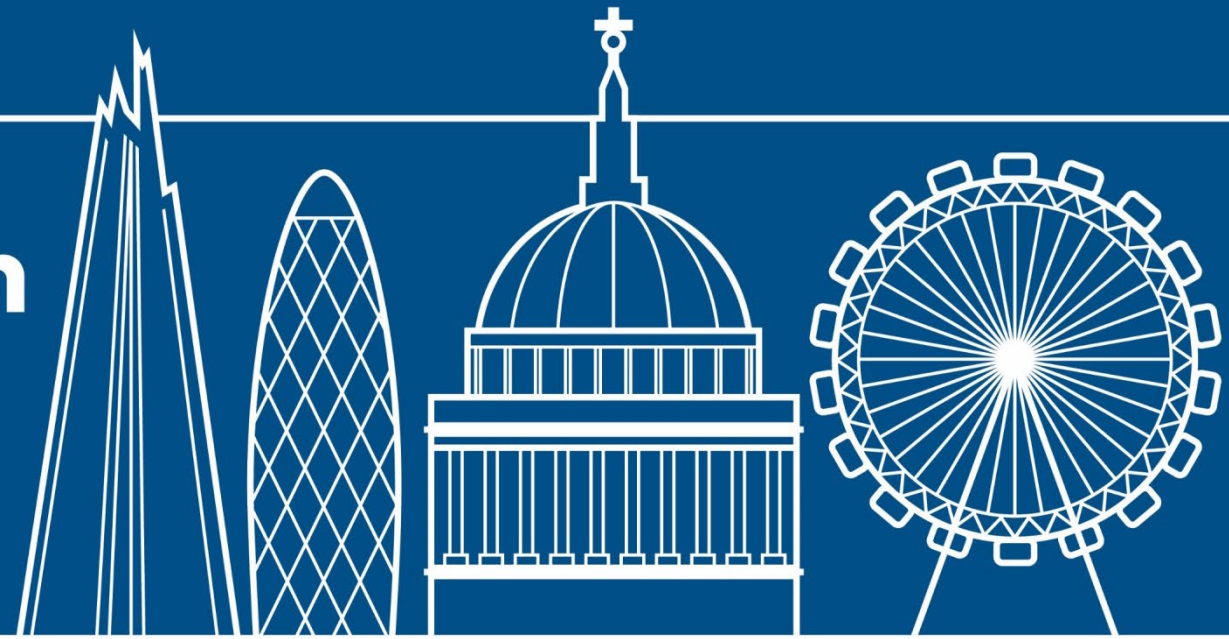
- British Phonographic Institute (BPI)
- Federation Against Copyright Theft (FACT)
- Publishers Association (PA)
- International Federation of Phonographic Industry (IFPI)
- Performing Rights Society (PRS for music)
- United Kingdom Interactive Entertainment (UKIE)
- Motion Picture Association (MPA)



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Dangerous Fakes

High risk counterfeit goods in the US

John Pickerill

Partner, Fredrikson & Byron

USA



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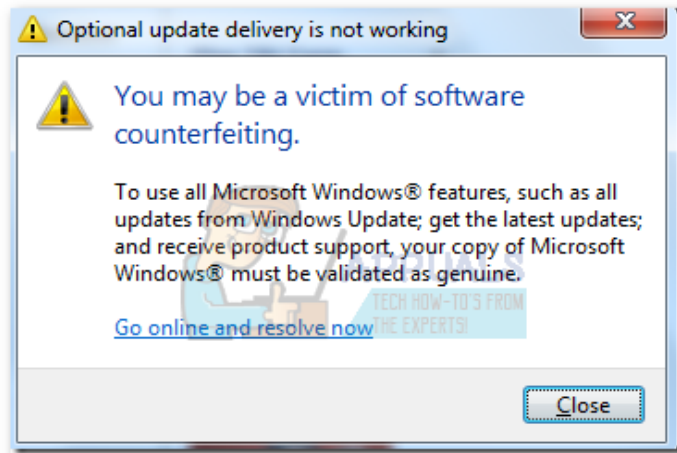


Counterfeits in the U.S.

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- Counterfeit Industry is Ever-Growing
 - Over \$500 billion in counterfeit goods
 - Increase in online shopping
 - Growing creativity of counterfeiters
- All Counterfeits are Bad
 - Damage consumers, economy and brands
 - Support criminal networks
- Dangerous Fakes Are Worse
 - Regulated industries
 - Dangers to consumers

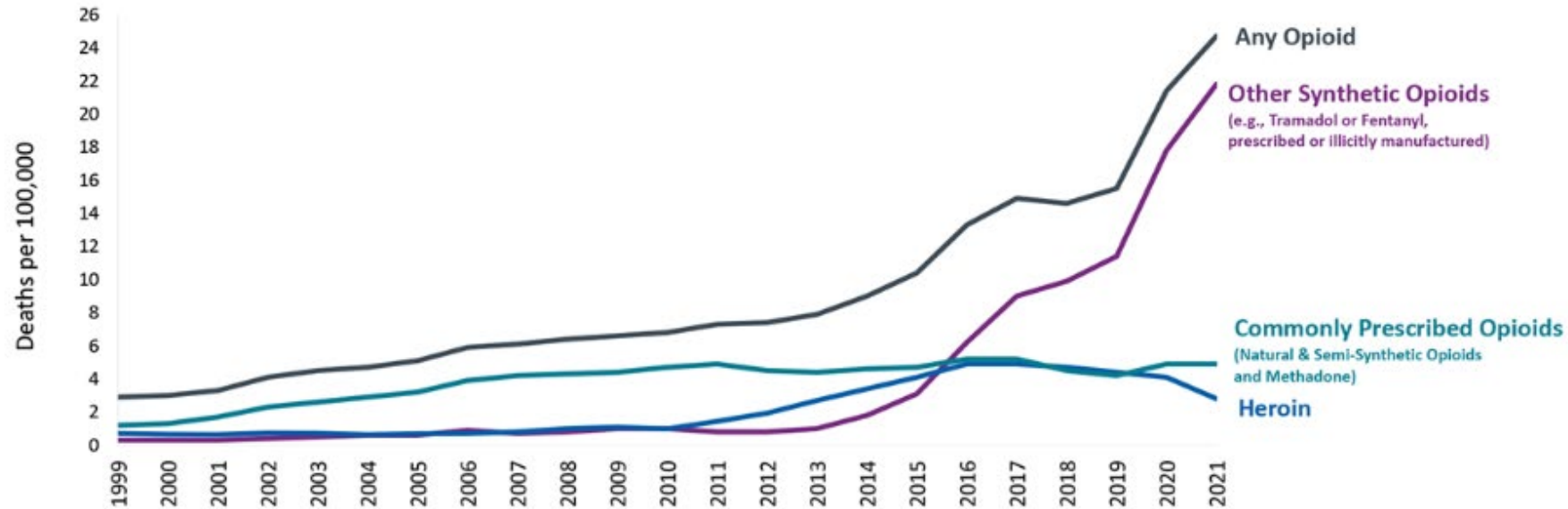


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Three Waves of Opioid Overdose Deaths



Wave 1: Rise in Prescription Opioid Overdose Deaths Started in the 1990s

Wave 2: Rise in Heroin Overdose Deaths Started in 2010

Wave 3: Rise in Synthetic Opioid Overdose Deaths Started in 2013

SOURCE: National Vital Statistics System Mortality File.



Counterfeiters, Roaches, Taxes

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- Counterfeiters Adapt to the Market
 - Covid 19
 - Demand for Opioids
- Counterfeiters Adapt to Enforcement Efforts
 - Impersonating authorized distributors
 - Use of “order this / get this” tactics
 - Review hijacking



FLORIDA
Home | Commercial | Institutional | Healthcare | Foodservice | Industrial

Help Prevent the Spread of Coronavirus Free Shipping over \$50 3 Days Flash sale

BEST SELLERS

- FLORIDA DISINFECTANT SPRAY 1.5L 100% ALCOHOL FREE FORMULA
- FLORIDA DISINFECTANT SPRAY 1.5L 100% ALCOHOL FREE FORMULA
- FLORIDA DISINFECTANT SPRAY 1.5L 100% ALCOHOL FREE FORMULA
- FLORIDA DISINFECTANT SPRAY 1.5L 100% ALCOHOL FREE FORMULA

Lysol

Help Prevent the Spread of Coronavirus Free Shipping over \$50 3 Days Flash Sale

Grid of Lysol products including disinfectant sprays, wipes, and surface cleaners.



Fighting Back Against Fakes

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- Increased Engagement and Collaboration
- Industry, Government and NGOs
 - U.S. Customs & Border Protection
 - National Intellectual Property Rights Coordination Center
 - U.S. International Trade Commission
 - FDA, FTC, DEA, BATFE, DHS, CDC
 - US Postal Service
 - IACC and INTA's ACC
- Online Sales Platforms



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For Release

FTC Warns Almost 700 Marketing Companies That They Could Face Civil Penalties if They Can't Back Up Their Product Claims

April 13, 2023



Tags: [Consumer Protection](#) | [Bureau of Consumer Protection](#) | [Advertising and Marketing](#) | [Online Advertising and Marketing](#)

The Federal Trade Commission is putting hundreds of advertisers on notice that they should avoid deceiving consumers with advertisements that make product claims that cannot be backed up or substantiated. In notices sent to the companies, the FTC warned that it will not hesitate to use its authority to target violators with large civil penalties.

Under FTC law, companies must back up claims about what their product can do with reliable evidence. If a company makes a claim about the health or safety benefits of a product, that claim must be based on scientific evidence. If a company claims that its product can cure, mitigate, or treat

Related actions

[Statement of Commissioner Rebecca Kelly Slaughter Joined by Chair Lina Khan and Commissioner Alvaro M. Bedoya Regarding the Issuance of a Notice of Penalty Offenses on Substantiation of Product Claims](#)

[Dissenting Statement of Commissioner Christine S. Wilson Regarding the Issuance of a Notice of](#)



WON LANE Won Lane

Won Lane storefront

84% positive in the last 12 months (3092 ratings)

Here at Won Lane, We pride ourselves for being the #1 Largest Online Retailer for all Auto Parts & Accessories, Home Garden & Tools. We are pleased to offer our top quality products, efficient processing of orders, and fast shipping on all our merchandise. Plus, we maintain one of the best customer service teams who will gladly help locate the automotive accessory that you need all with the lowest price, guaranteed.

Have a question for Won Lane?

Ask a question

Customer Service Phone: 1-800-221-0718

Detailed Seller Information

Business Name:Day To Day Imports Inc

Business Address:

16325 S Avalon Blvd
Gardena
CA
90248
US

Feedback

Returns & Refunds

Shipping

Policies

Frequently Asked Questions

Help

Products



Protect Your Client's Brands

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- Don't Be An Easy Target
- Strong IP Rights Are Key
 - Conduct Internal Brand Protection Audit: Utility patents, design patents, trademarks, copyrights, trade secrets, domain names, social media handles, contracts
- Strong Network of Associates
 - FICPI!, INTA, Marques, etc.
 - Strengths and weaknesses



Register Key IP Rights

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- Combine and Layer IP Rights
- Consider Registering IP with USPTO, Copyright Office, US Customs Where Appropriate
- Register with Platforms



Start ▾

Tools ▾

Learn ▾

Sign in ▾

Brand Registry

Case studies

FAQ

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You may already be eligible for Project Zero

Enrolled in Brand Registry with a registered trademark?

Sign in to Brand Registry and visit the Project Zero page to see if you're eligible.

Sign in

Need more help? [Read our FAQ](#) →

Not yet eligible for Project Zero? Here's what it takes.

Regardless of your selling relationship with Amazon, you must have:

- A Brand Registry account with a registered trademark and a Rights Owner role.
- Submitted reports of potential infringements through the Report a Violation tool with an acceptance rate of at least 90% over the last six months.

Get started with Brand Registry

To prevent misuse of our tools, Amazon has the right to evaluate additional factors to determine a user's eligibility.

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Routinely Monitor Brands

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- Online Monitoring
 - Search services
 - Third party software
- Physical Monitoring
 - Test buys
- Platform Tools





Enforcement Programs

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- Establish a Flexible Process
- Cease and Desist Letters
- Fraud Reports
- AG, FDA, FTC Complaints
- Platform Reporting, RogueBlock[®], Service Provider Reporting (for domain name disputes)
- Strategic Escalation & Litigation When Necessary
- Track Your Progress

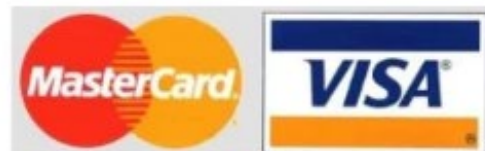


Educate Consumers

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- Strong Consumer Reputation
- Specific tags, emblems, packaging, or other material or indicia (keep some confidential to identify fakes)
- “Trust Badges”
- Publicize Counterfeit Schemes
- Invite Consumer Feedback & Listen



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Educate Yourself

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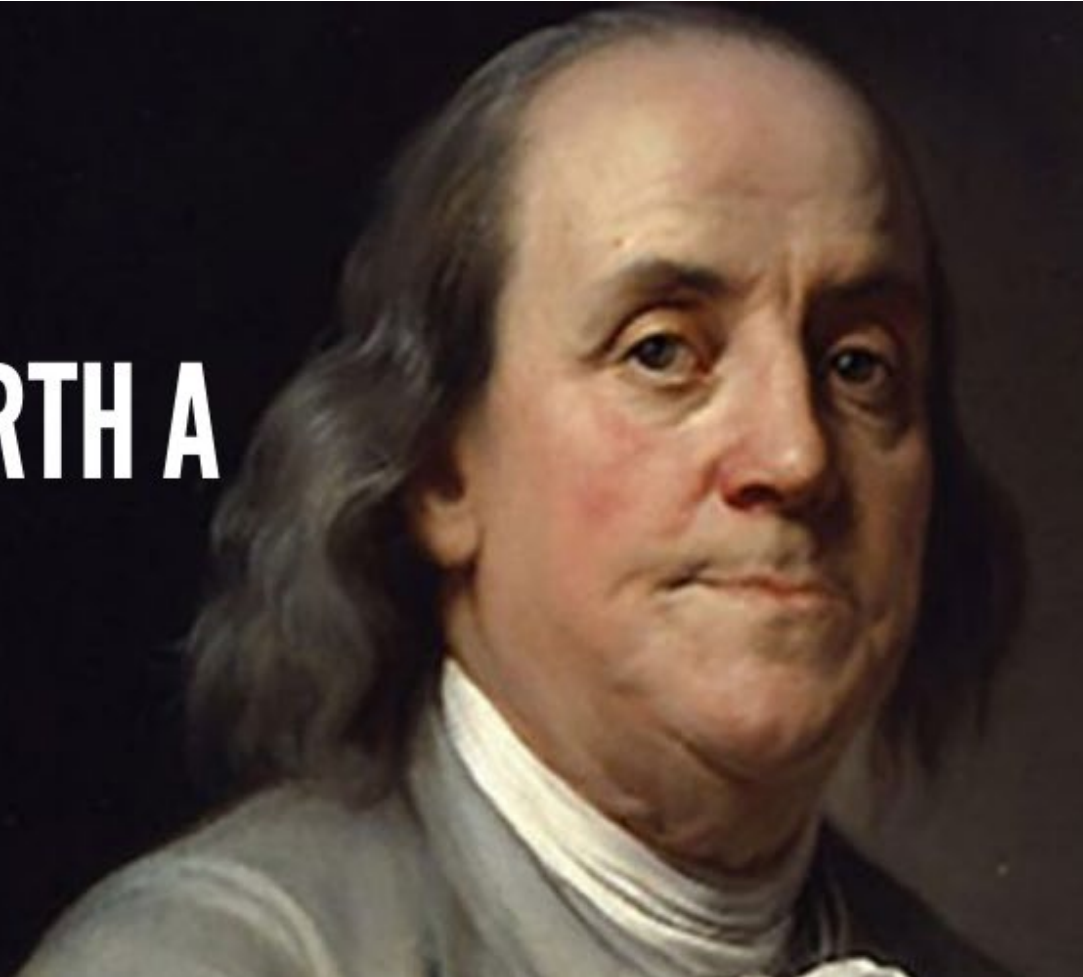


- Platform Functionality
- New Counterfeiting Tactics
- New and Proposed Legislation
 - INFORM Consumers Act, SANTA Act, SHOP SAFE Act, etc.



**AN OUNCE OF
PREVENTION IS WORTH A
POUND IN CURE**

Benjamin Franklin





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Thanks!

John Pickerill

Fredrikson & Byron, P.A

jpickerill@fredlaw.com



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The Unglamorous Side of Counterfeit Goods

INDIAN PERSPECTIVE

Neha CHUGH

Patent Attorney

B.Eng., LL.M

IPR INTERNATIONAL SERVICES

New Delhi, India



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The unglamorous side of counterfeit goods

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Types of demand of counterfeit and pirated goods

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Two types of demands exist:-

1. Intentional demand
2. Unintentional demand.

- ❖ The total intentional demand for counterfeits in an economy is smaller than the total volume of imports of counterfeits by the economy.
- ❖ **Reason** : Certain volume of counterfeit products is purchased by consumers who believe they buy genuine goods, in other terms, by deceived consumers who form **Primary markets**.
- ❖ Intentional demands lead to formation of a secondary market, the market where consumers willingly purchase infringing products.



Modus operandi:

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- ❖ Inaccurate document of shipments, to conceal the true destinations of their fake goods.
- ❖ This is particularly the case for modes of transport with larger economies of scale, for example container ships.
- ❖ For large shipments of fakes in containers, the final destination indicated on a shipping manifest often refers to an intermediate transit point.
- ❖ These transit points are used to re-package the goods, or to change the mode of transport, while the final consumers are not even necessarily in the same country.



Findings of OCID/EUIPO

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- ❖ The purchase of fake medicines is less demand-driven than other sectors like clothing or leather items . (Source: OECD/EUIPO).
- ❖ However, a survey conducted by the FDA (Food and Drug Administration) in 2020 reveals that nearly half of Americans (42%) are currently purchasing medications online and 45% of Americans erroneously believe all websites offering healthcare services/prescription medications to Americans via the Internet have been approved by the FDA or state regulators.
- ❖ This means that for some sectors the risk of counterfeiting is not so well-known, and the purchase of counterfeit goods can potentially be made by all people, those with high digital skills to look for good offers online.



Share of secondary markets for counterfeit products in small parcels, 2017-2019

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Sector	Share of secondary market
Chemical and allied products; except pharmaceuticals, perfumery, and cosmetics	10.9%
Pharmaceutical and medicinal chemical products	18.0%
Basic metals and fabricated metal products (except machinery and equipment)	39.4%
Household cultural and recreation goods; including toys and games, books, and musical instruments	47.8%
Furniture, lighting equipment, carpets, and other manufacturing n.e.c	48.0%
Motor vehicles and motorcycles	50.9%
Textiles and other intermediate products (e.g. plastics; rubbers; paper; wood)	51.6%
Perfumery and cosmetics	53.6%
Clothing, footwear, leather, and related products	54.6%
Watches and jewelry	54.9%
Electrical household appliances, electronic and telecommunications equipment	55.4%
Food, beverages, and tobacco	57.1%
Machinery, industrial equipment; computers and peripheral equipment; ships and aircrafts	57.3%

Source: OECD/EUIPO calculations.



Risk on health and wellbeing

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- ❖ Counterfeit lithium-ion laptop batteries pose significant risk of extreme heat, self-igniting, and exploding.
- ❖ Counterfeit cosmetics can cause severe skin reactions.
- ❖ Undeclared active ingredients in illegal and counterfeit pesticides can leave unacceptable levels of toxic residues on crops, rendering them unfit for human (or animal) consumption.
- ❖ Low quality counterfeit condoms undermines global efforts to promote condoms as an effective measure to protect against sexually transmitted infections, including HIV, and unwanted pregnancies
- ❖ **Alcohol:** Fraudulent imitations of legitimate branded products, including refilling, falsification and tampering. It is often produced in illicit factories and sometimes even lead to death of person consuming it.

Contd..



Risk on health and wellbeing

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Counterfeit helmets and baby carriers can break



Counterfeit contact lens are hazardous for eyes



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IP counterfeits and safety in pharmaceuticals



- ❖ Counterfeit drugs, may lack active ingredients, contain incorrect dosages, or be contaminated, leading to adverse effects, treatment failure, or even loss of life.
- ❖ The WHO calls counterfeit medications **“substandard, spurious, falsely labelled, falsified, and counterfeit” (SSFFC)**
- ❖ India is not only one of the biggest producers of counterfeit drugs but it has also a huge market for spurious and counterfeit drugs
- ❖ India - world’s largest supplier of generic drugs - epicenter for counterfeit and fake drugs.



- ❖ Counterfeit drugs can be ineffective or toxic.
- ❖ As per the report released by latest report released by the Authentication Solution Providers' Association (ASPA), During the COVID-19 pandemic, incidents of substandard and falsified (SF) medical products increased by almost 47% from 2020 to 2021.
- ❖ Counterfeits during this period spiked majorly relating to COVID-19 products, including vaccines, medicines, test kits, antibiotics, face masks and sanitizers.



- ❖ Dozens of Gambian children lost their lives after reportedly consuming India-made cough syrups.
- ❖ The company responded by saying it was “diligently following the protocols of the health authorities”
- ❖ Just few years ago, 17 children died in the Indian state of Jammu and Kashmir after consuming a syrup made by a company called Digital Vision.



- ❖ In December 2022, 18 deaths occurred in Central Asia's Uzbekistan. The country's Health Ministry said 18 of 21 children with acute respiratory diseases allegedly died after ingesting Dok-1 Max syrup.
- ❖ The drug was manufactured by Marion Biotech Pvt Ltd, a company based in Noida, Uttar Pradesh which had a license from the Food Safety and Drug Administration department in Uttar Pradesh to manufacture the cough syrup and tablets for export.



Reasons for increase in counterfeiting in India

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- ❖ Growing pharmaceutical industries
- ❖ Poor regulation
- ❖ High drug prices
- ❖ Prescription without registration
- ❖ Lack of public awareness
- ❖ High demand and low supply
- ❖ Rise of Online pharmacies
- ❖ Supply chain issue
- ❖ Lack of proper testing equipment's in small drug manufacturing facilities.
- ❖ Multiple intermediaries
- ❖ Lack of transparency in licensing procedure of drugs
- ❖ India's status of low cost manufacturing.



- ❖ Government of India has mandated pharmaceutical companies to print bar code on the packages of 300 drug formulations.
- ❖ Manufacturers of 300 drug formulation products as specified in the Schedule H2 of the Rule 96 of Drugs and Cosmetics Act will be required to print or affix bar code or quick response code on its primary packaging or secondary package label.

The stored data or information shall include particulars such as unique product identification code, proper and generic name of the drug, brand name, name and address of the manufacturer, licensing, batch number, date of manufacturing and expiry etc.



- ❖ In response to concerns surrounding reported fatalities attributed to contaminated cough syrups manufactured in India, the minister revealed that show-cause notices have been issued to 71 companies. Out of these, 18 companies have been directed to cease their operations

- ❖ India has made tests mandatory for cough syrups before they are exported. Cough syrup exporters will have to produce a certificate of analysis issued by a government laboratory before it is exported

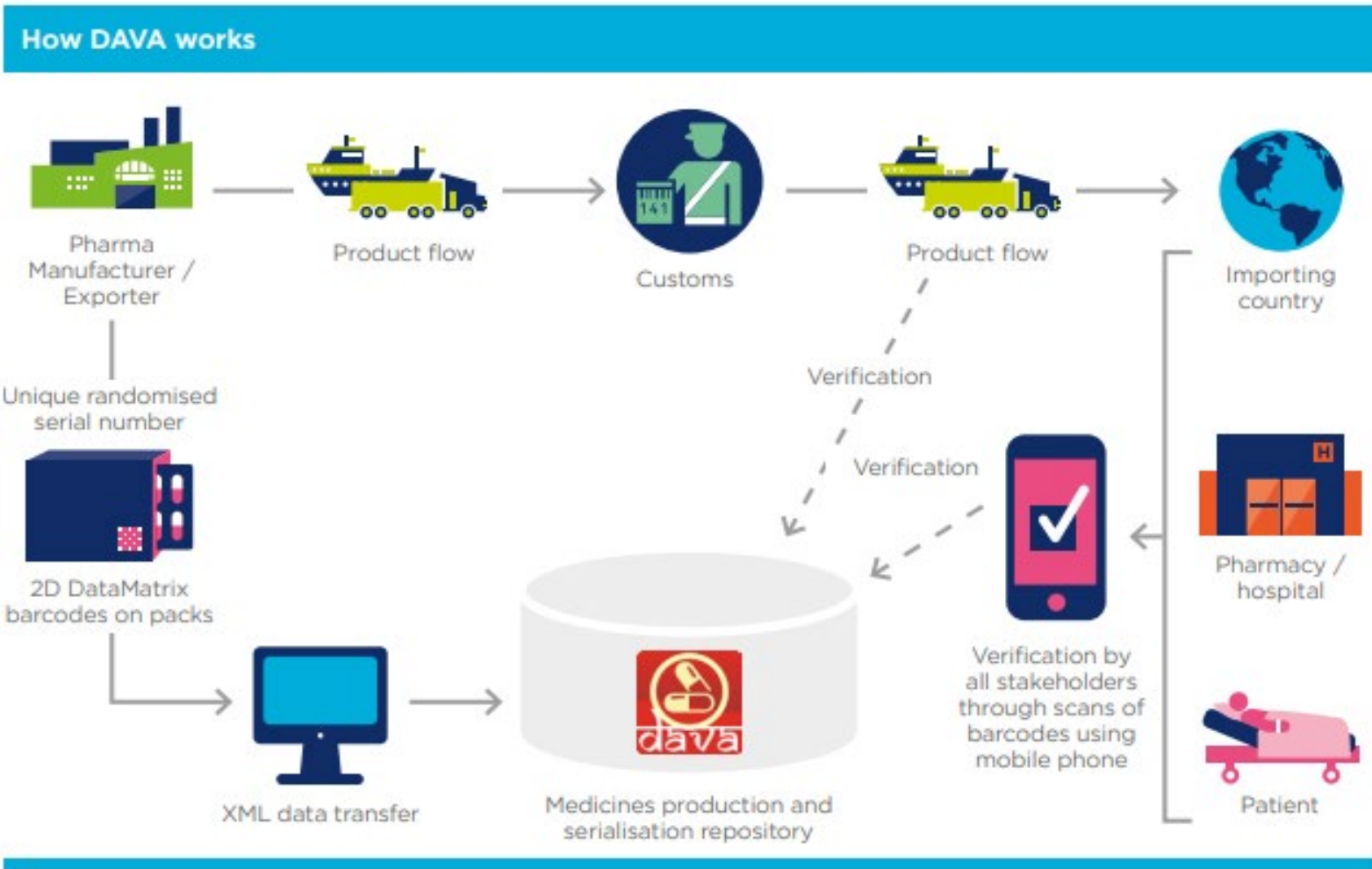


- ❖ Indian government implements track and trace system for pharmaceuticals named **DAVA**, which means “medicine” in the Indian language (and is also the abbreviation for Drug Authentication and Verification Application). This system has made it possible to gain real-time visibility to pharmaceuticals produced and exported from India.

- ❖ **DAVA** relies on the use of Global Trade Item Numbers (GTINs) plus serial numbers by manufacturers to easily identify the various packaging hierarchy levels of pharmaceuticals such as primary, secondary and tertiary (when a trade item) levels



Working of DAVA





Few ways to identify fake medicines

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- ❖ Spelling errors.
- ❖ Medication appearance.
- ❖ Medication quality.
- ❖ Compromised packaging.



Suggestions

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- ❖ Regular awareness programs mainly in rural areas and panchayat level by doctors, Aasha workers and Anganwadi workers.
- ❖ Implementation of IPR as a subject in school curriculum.
- ❖ More stress on generic medicines and incentivizing the medical stores for the same.
- ❖ Strengthening the distribution channel
- ❖ Subsidizing the small drug manufacturing facilities in proper testing equipment's.
- ❖ Alternatives of holograms and barcodes for non –smart phone users in areas with low literacy rates.
- ❖ Implementation of Block chain.



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IP counterfeits and safety in auto spare parts



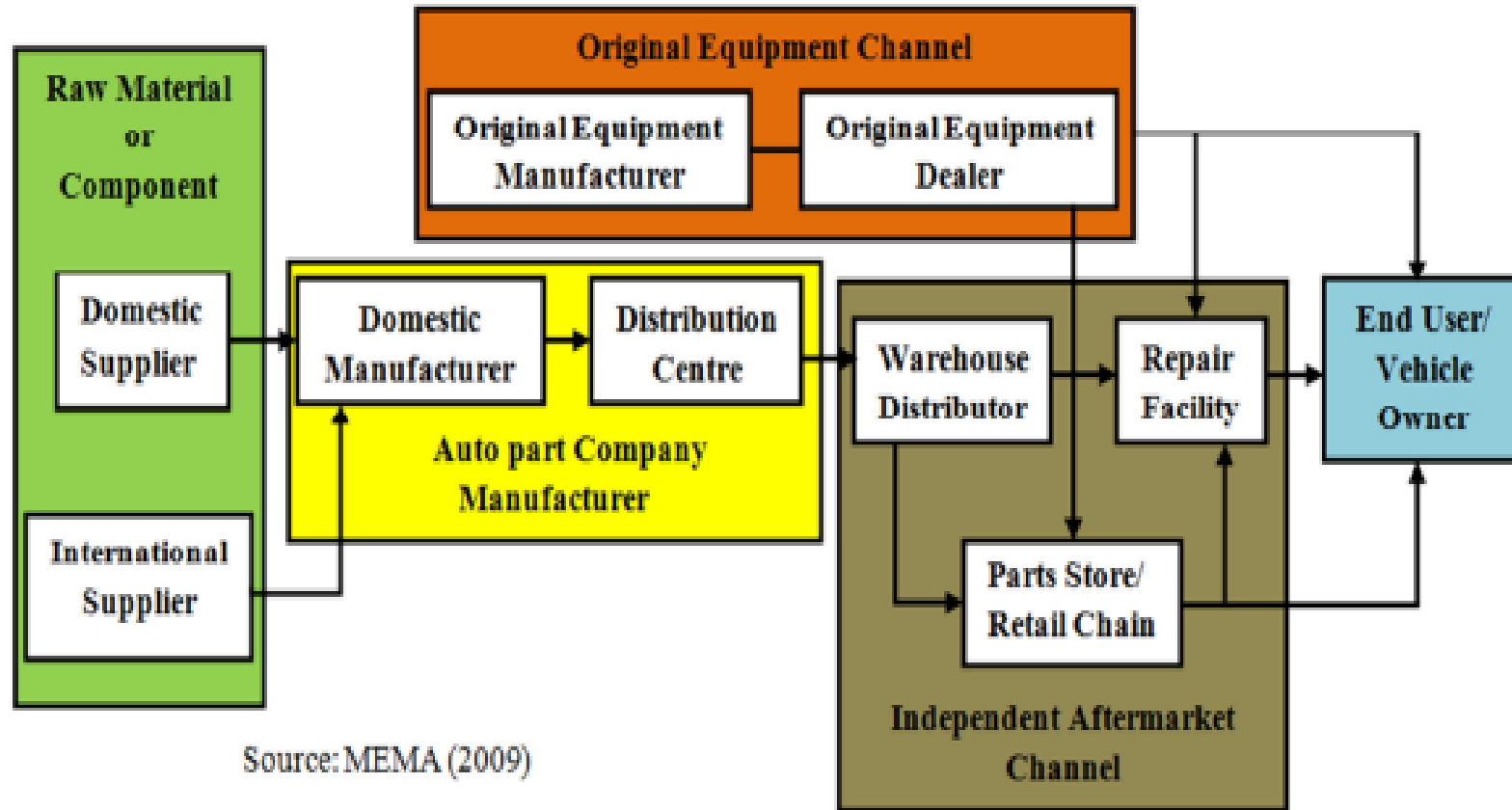
- ❖ Counterfeited automotive parts mean imitated goods which are to be installed in or upon a motor vehicle so as to replace components of that vehicle, including goods such as lubricants which are necessary for the use with the exception of fuel
- ❖ The vulnerable automotive parts are brake shoes, brake pads, steering linkages, air filters, spark plugs, wipers and car interior accessories. Safety is definitely compromised with the low quality of such fakes
- ❖ In India **fake auto parts** business worth **Rs.22,000 crore** sold in wrappers of branded companies (source: ASPA).
- ❖ Counterfeiters also use **fake wrappers and rate slips** of various well-known auto companies in India.



- ❖ Around 20% of road accidents in India are caused due to fake automotive parts - FICCI CASCADE
- ❖ The FICCI report also states that fake auto parts led to a revenue loss of Rs 2,200 crore to the government in the past years
- ❖ ACMA has estimated the value of fake spare parts in the after-market at Rs 10,500-14,000 crore.
- ❖ Despite many crackdowns, the fake automobile parts market is thriving in India — at least two in every five spare auto parts sold are fake.



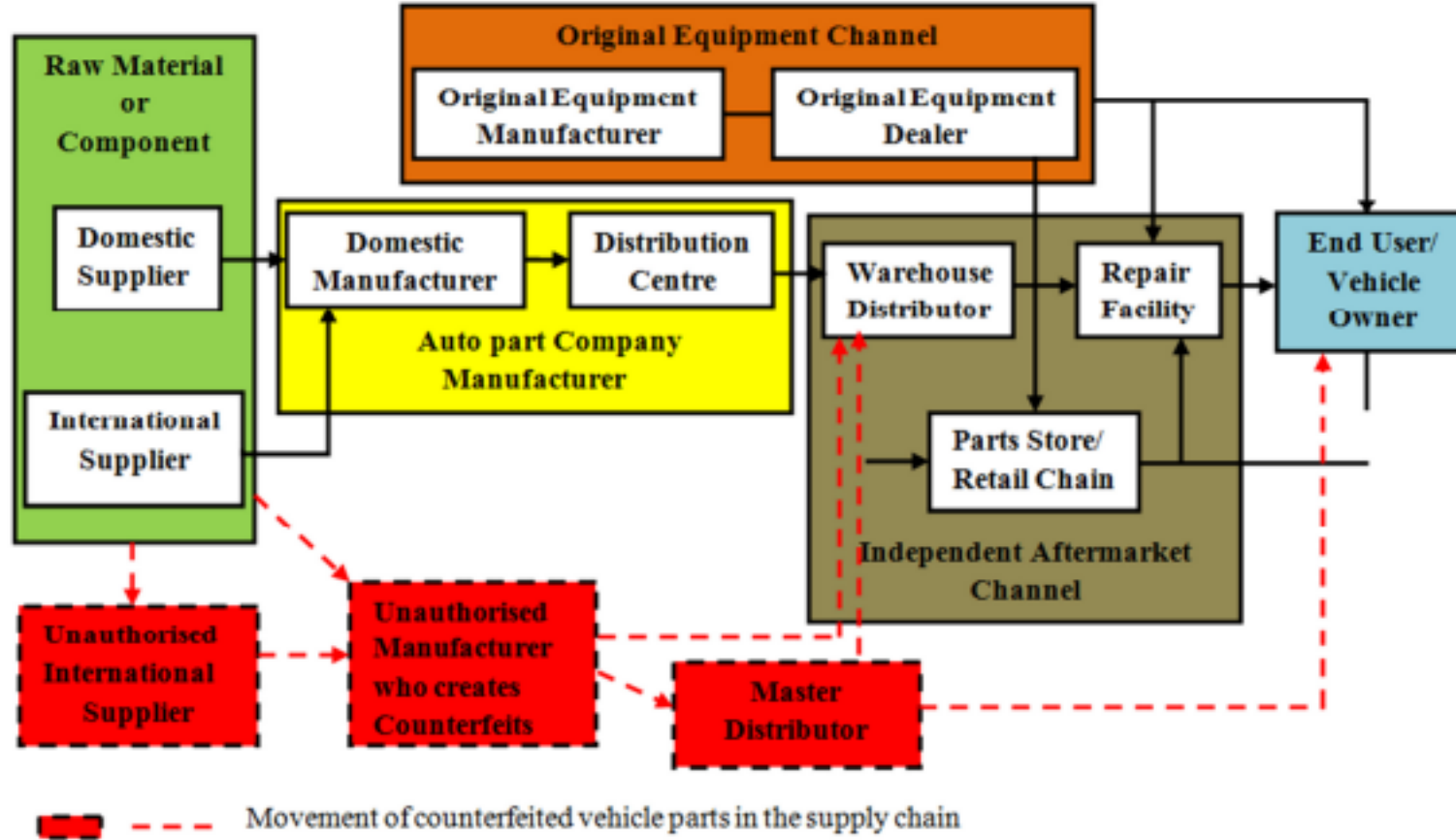
Legitimate auto part supply chain



Counterfeited auto part supply chain



Figure 2: Counterfeited auto parts supply chain



Source: Customised from MEMA (2009)



Counterfeiting of auto spare parts cause threat to human lives:-

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- ❖ Deployment of **airbags** and its timing is critical; must meet compliance.
- ❖ **Engine and drive train** components (eg, spark plugs, oil filters and air filters) can lead to fire accident if they are fake.
- ❖ **Brake pads** have been found to be made of sawdust and compressed grass or asbestos, which negatively affect stopping ability as they smoke and disintegrate under pressure.
- ❖ **Fake automotive body parts** may not align with optimal crumple zones, which impact on passenger safety in a collision.
- ❖ **Electrical components** that are fake, including lights, can lead to electrical failure and fire risk.
- ❖ **Wheels** are made to withstand speed and poor road surfaces. However, counterfeit parts have shown that integrity can be compromised quickly.
- ❖ Fake **windcreens** can shatter or displace, injuring or failing to provide any protective barrier to passengers.



There are numerous reasons why India ranks among the Top 5 countries for counterfeit goods, which is still rising:

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- ❖ A very complex domestic retail environment
- ❖ Inadequate governmental regulation, legal framework and weak administration.
- ❖ Consumer awareness on the subject is another area with weak programming.
- ❖ Conflicting government priorities on the subject.



- ❖ Penalty of INR 4,200,000,000 imposed by CCI against Hyundai Motor India Ltd and various other auto for not making their original spare parts available in the open market, thereby preventing independent repairers to procure genuine spare parts in the aftermarket.
- ❖ The CCI further rejected Hyundai's claim that the drawings/designs of their spare parts are protected by unregistered copyright and trade secret, and refused to grant Hyundai an exemption under Section 3(5) of the Competition Act, 2002, which protects exclusive rights granted under intellectual property rights



- ❖ Even though the Supreme Court granted a stay on CCI's order, the above decision implies that if OEM's want to ensure protection of their spare parts in the aftermarket, it is advisable for them to obtain some form of IP protection, such as, design registration in respect of their original spare parts.



Factors contributing to the automotive component and spare parts counterfeiting:

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- ❖ Ease of manufacturing, packaging and importing these products;
- ❖ Higher margins on the sales of counterfeits;
- ❖ Short replacement cycles of some parts and
- ❖ Supply constraints faced by original component manufacturers.



Suggestions

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- ❖ Educate consumers on how to spot fake auto parts
- ❖ Deploy software to keep customers safe
- ❖ Work closely with regulators and safety entities
- ❖ Adopting this close relationship with regulating bodies as these bodies rely upon the support of automotive producers as they work to make driving and road use safer for all.



Government Initiatives in the direction against counterfeiting of auto spare parts :

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- ❖ Vehicles Scrappage Policy launched by the Government of India.
- ❖ Use of microdots in vehicles.



Reference

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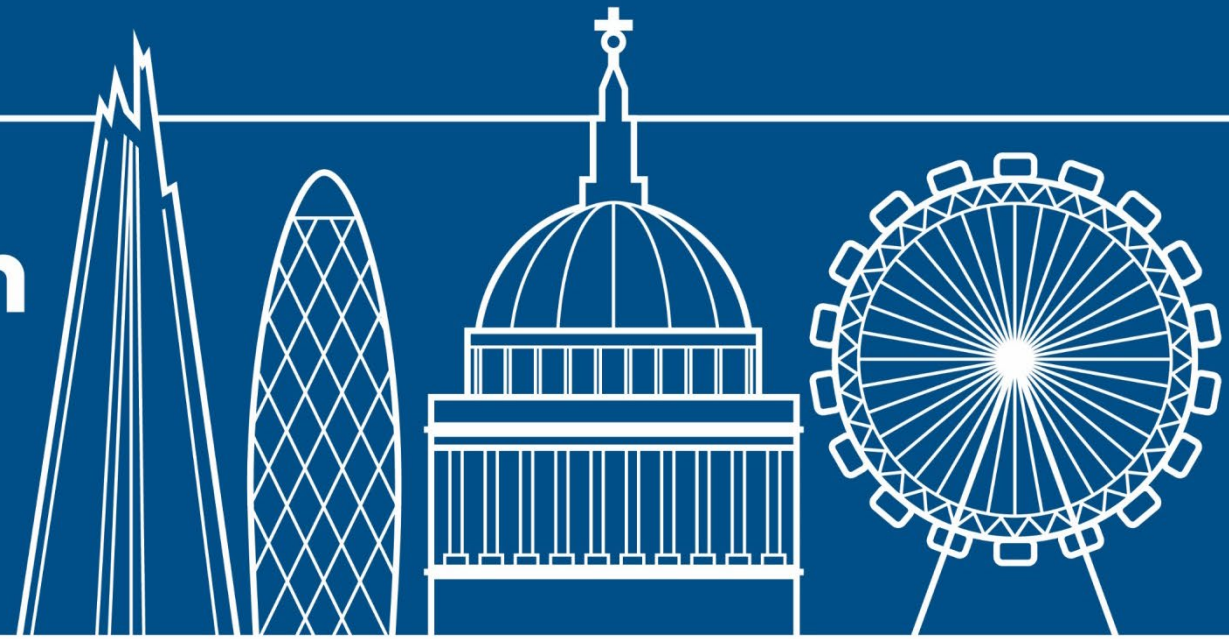
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The Unglamorous side of counterfeit goods - Thailand perspective

Pawat (Dan) Varapirom

Partner, TMP Intellectual Property

Thailand

pawat@tmp-ip.com | www.tmp-ip.com



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Counterfeit goods in Thailand

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Thailand is a **major market** trading all kinds of counterfeit goods on a massive scale. There are **various factors** that contribute to the growth of illegal trade in Thailand, including:



Weak law enforcement



Corruption



High demand for lower priced goods



Lack of awareness among consumers



Geographical location of Thailand, as well as its status as a hub for international trade and transportation



Counterfeit goods in Thailand

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In the Thai market can be found **all common types of counterfeit products**, including clothing, leather goods, footwear, watches, mobiles, toys, jewelry and pharmaceuticals.

Recent **trends** driven by the COVID-19 pandemic include:



Significant increase in the number of counterfeit products, particularly **health care products** and medicines.



Online shopping has become more prevalent, leading to a rise in counterfeiting and infringement.



EU's scoreboard for Thailand

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As a major transit hub for counterfeit goods and an important producer of counterfeit goods in some sectors, Thailand scores high (or... low) in the EU's statistics regarding imports of counterfeit goods:



- **No. 7**: importer of counterfeit **food products** and **dangerous fake goods** to the EU
- **No. 11**: importer of counterfeit **cosmetics** to the EU
- **No. 21**: importer of **counterfeit goods** to the EU (*based on the estimated value of fake imports to the EU*)



Control of products safety in Thailand

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The safety of dangerous or hazardous products is overseen by two governmental authorities:



TISI (Thai Industrial Standards Institute): responsible for testing, researching, analyzing, developing, and certifying **industrial products** standards.



FDA (Food and Drug Administration): responsible for regulating the quality & safety of medical devices, medicine, cosmetics, narcotics, herbal and food products.



Case studies

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- Effects on **health**:
 - Counterfeit alcohol
 - Counterfeit cosmetics
 - Counterfeit pesticides
- Effects on **safety**:
 - Counterfeit electrical and electronic products



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EFFECTS ON HEALTH

Counterfeit alcohol

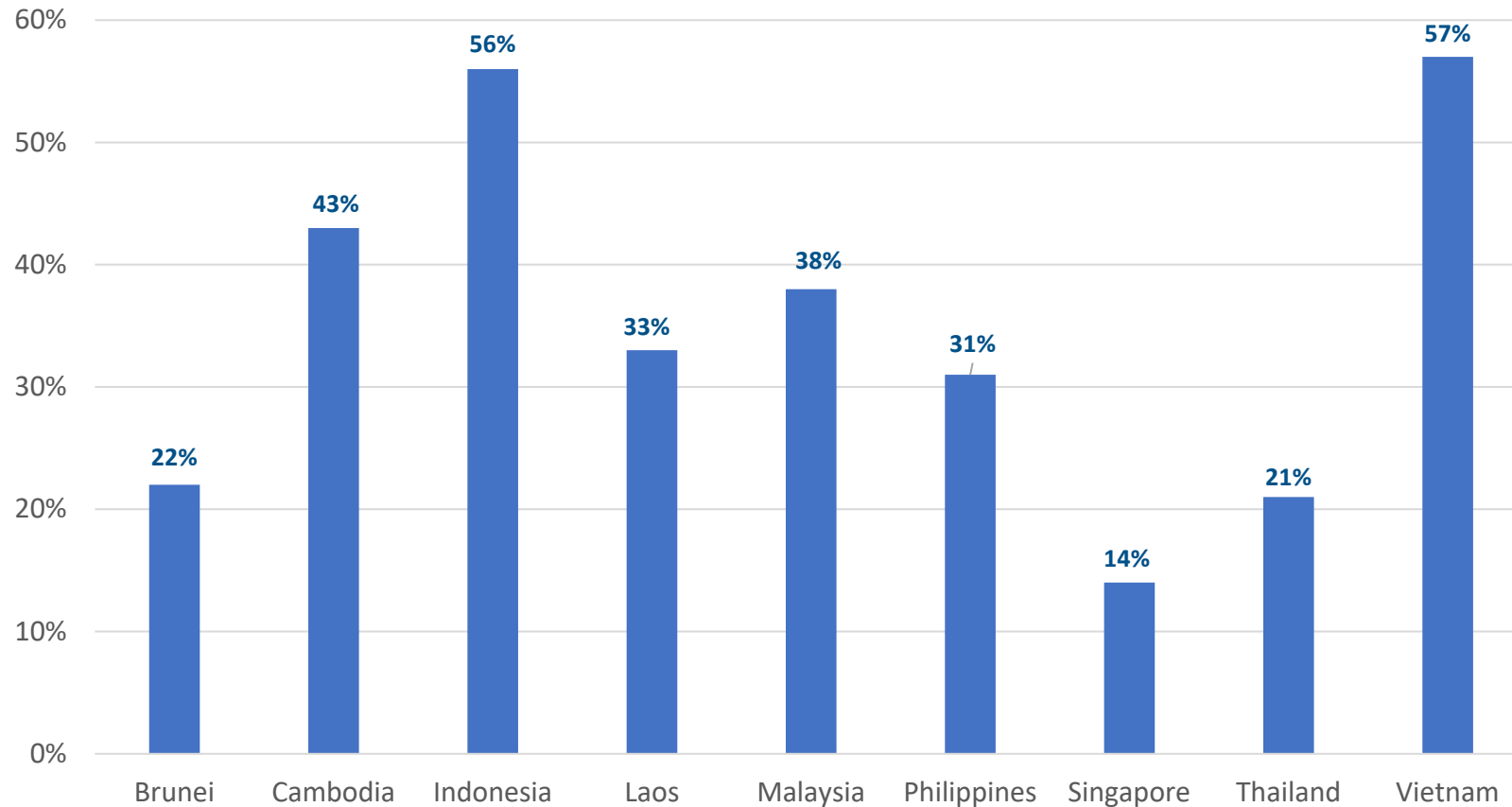


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Estimated % of unrecorded alcohol in 2019



Source: WHO, The Global Health Observatory (2021)



Counterfeit alcohol

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There are **three types** of bootleg alcohol:

(2) Counterfeit






(1) Smuggled



(3) Sub-standard



The consumption of substandard alcohol in **rural Thai communities** is driven by a number of factors:

-  Cultural beliefs and traditions ("yaa dong")
-  Recommendation and word-of-mouth
-  Convenient distribution channels
-  Taste and alcohol strength
-  Affordable pricing





Counterfeit alcohol

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Toxic substances found in bootleg liquors generally fall into two categories:



- (1) Toxic substances **occurring naturally** in the production process: fusel oil, nitrosamines, isoamyl alcohol, isobutyl alcohol, n-propyl alcohol, etc. Some substances are found to be cancer-causing agents.
- (2) Toxic substances that manufacturers **intentionally mix** into the liquors: herbicides, insecticides, detergents, etc.



Methanol poisoning

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Methanol is often found in fake liquor brewed by local people to reduce production costs. It can have severe health effects:



- If consumed, it will change into formic acid, which can cause serious damage to the body organs (including central nervous system and eyes).
- Serious complications caused by methanol include blindness, nerve disorders, hemodynamic disorders or blood flow problem, and in certain cases, death.

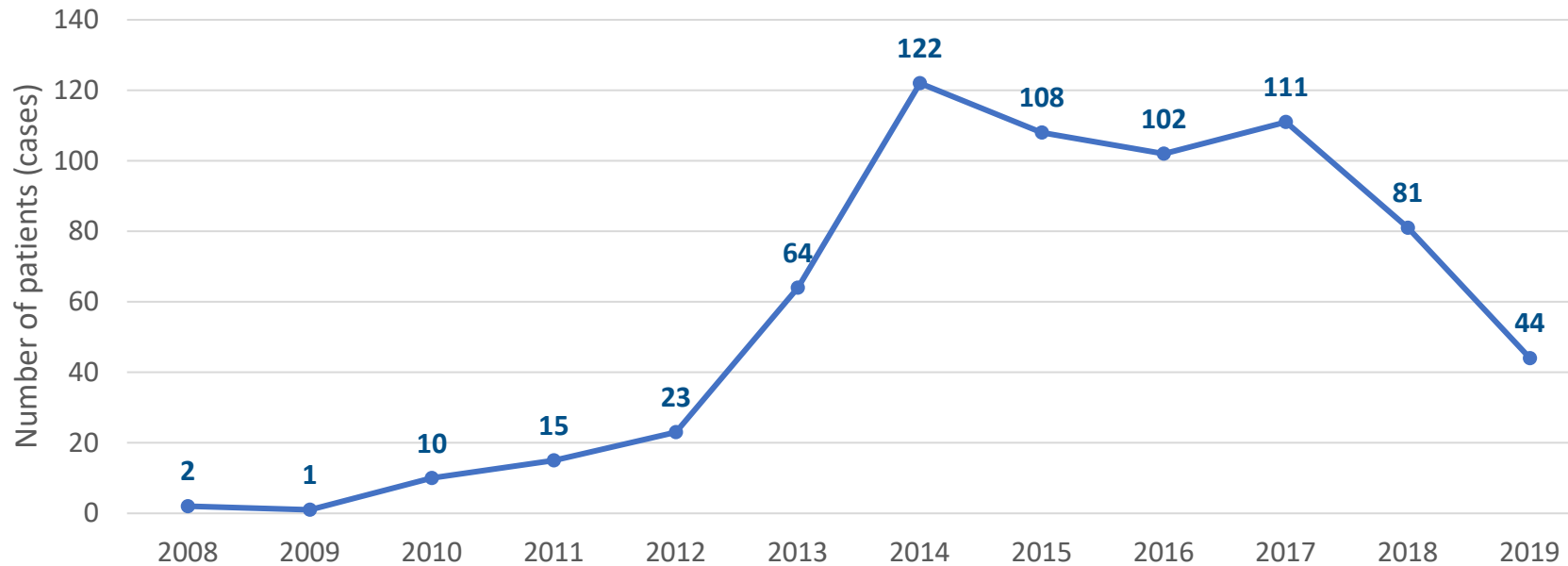


Methanol poisoning



A total of 683 patients were poisoned by methanol from 2008 to 2019 in Thailand (average age of 38 years old):

Number of patients poisoned by methanol in Thailand from 2008 to 2019





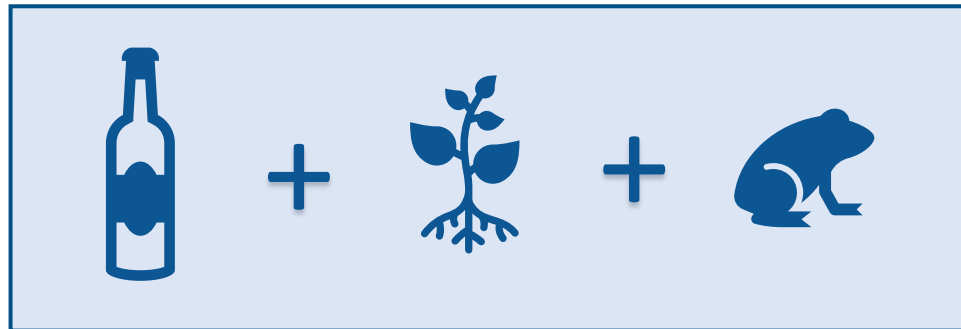
Other cases of poisoning

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- Illicit alcohol made from rice whisky mixed with herbal roots and **toad venom** (Oct. 2019): 13 people drank the liquor. Most of the patients' symptoms indicated that the poisoning was a result of methanol, more than toad poison.

Result: 5 dead, 4 patients with permanent vision problems



- Illicit alcohol mixed with **herbicide** (June 2021): two Thai men died after drinking artisanal liquors mixed with herbicide.



Illegal liquor distillery

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EFFECTS ON HEALTH

Counterfeit cosmetics



Counterfeit cosmetics

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- Some of the **biggest producers** of counterfeit cosmetics can be found **in South-East Asia**.
- There are **two main types** of illegal cosmetics:
 - (1) Poor quality cosmetics that are not certified by the FDA;
 - (2) Cosmetics with **prohibited chemicals** or raw materials that are of **lower quality** than claimed.
- Most counterfeit cosmetics are **imported from China** and usually sold online on e-commerce platforms or local markets.
- White skin obsession in Thai society bolsters the sale of counterfeit cosmetics as some **fake whitening cosmetic products** can have more noticeable and faster effects.





Dangerous ingredients in fake cosmetics

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Substance	Effects
Mercury	Toxic effects on the nervous system, digestive and immune systems, lungs, kidneys, skin and eyes.
Steroid	Rashes, skin thinning, stretch marks, easy bruising, dilated blood vessels.
Retinoic acid	Skin irritation, peeling skin, inflammation, allergy to sunlight, vitiligo.
Hydroquinone	Burning sensation, red bumps, skin cancer, tremors, epileptic seizures, allergies.
Lead	Freckles, enlarged pores, melasma, premature aging, weight loss, insomnia, reduced fertility.
Cadmium	Kidney disorders, brain damage, reproductive failure.



Illegal cosmetics production

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EFFECTS ON HEALTH

Counterfeit pesticides



Counterfeit pesticides

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What are the risks of using counterfeit pesticides?



- Harmful to the environment
- Health risks to people (farmers and consumers) – composition but also incorrect and inadequate safety & personal protection protocols stated on labels
- Destruction of crops and unusable agricultural land
- Substandard pesticides not strong enough to kill insects could result in the development of more robust species of superbugs

Thailand is ranked 18th in the world and the 5th in Asia for pesticide use in agriculture.



Counterfeit pesticides



- In 2020, Thailand banned the herbicides paraquat, chlorpyrifos and glyphosate due to public health concerns.
- However, since then, counterfeit paraquat, chlorpyrifos and glyphosate are spreading in the country even more. These products are unlabeled, not subject to any quality control and 20-30% more expensive than before the ban.





Pesticide poisoning

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Effects of pesticide poisoning:



Typical symptoms in acute intoxication cases: high fever up to 38-40 °C, endocrine system disorders, liver indurations and hepatomegalia, kidney and lung deficit (edema), impairment of consciousness and even coma.



Extreme cases can be fatal as a result of stethoparalysis, cardiovascular failure, or lungs and kidney failures.

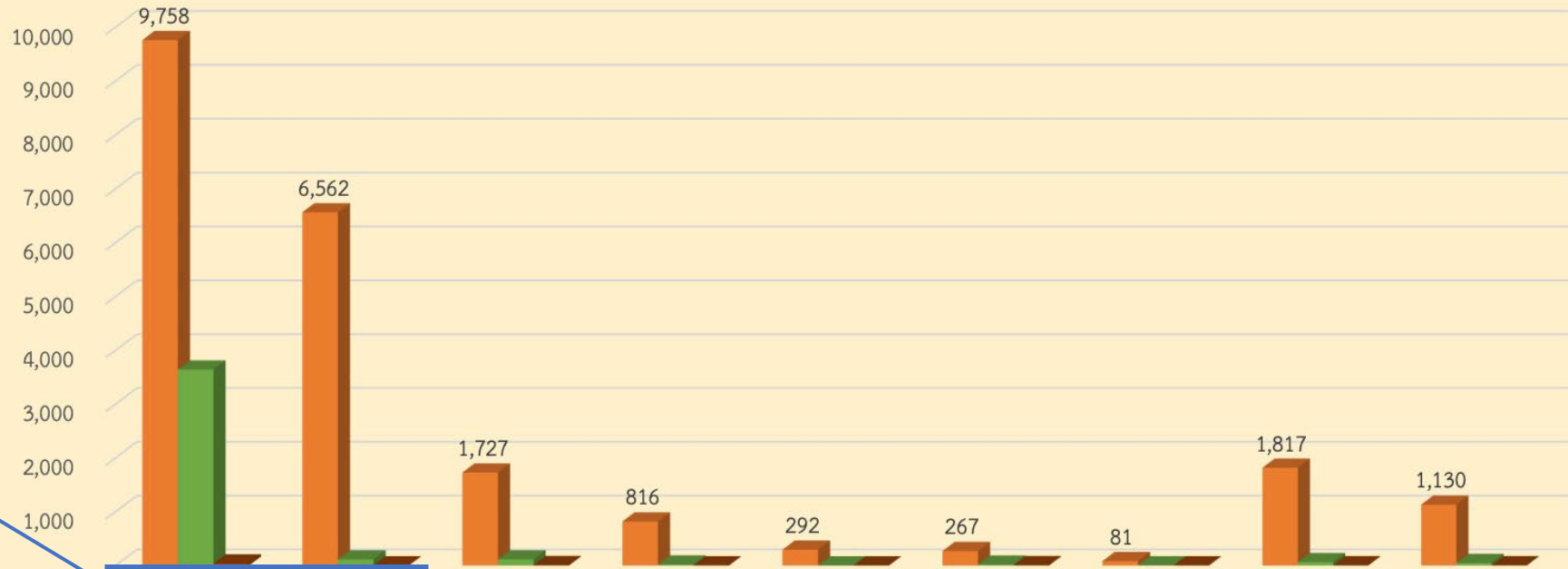
Effects of **glyphosate poisoning**: pulmonary dysfunction requiring intubation, renal failure, cardiac arrest.

Effects of **paraquat poisoning**: dysphagia, oral mucosal ulcers, upper gastrointestinal bleeding or perforation, acute kidney injury, liver injury, lung injury.



Herbicide poisoning in Thailand

Ramathibodi Poison Center 2010-2020 (Total 22,450 cases)



Paraquat

	Bipyridyl	Glycine	Chlorophenoxy	Chloroacetanilide	Triazine	Anilide+Chloroacetanilide	Anilide	Other	Unknown
No. of Cases	9,758	6,562	1,727	816	292	267	81	1,817	1,130
Mortality Cases	3,642	111	112	17	0	15	2	62	46
Mortality %	37.3	1.7	6.5	2.1	0.0	5.6	2.5	3.4	4.1



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EFFECTS ON SAFETY

Counterfeit electrical & electronic products



Counterfeit electrical & electronic products

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What are the risks of using electrical and electronic counterfeit products?



- They **contain** many of the same materials as genuine electronic goods, including **hazardous toxic substances**.
- They are made using **substandard electric components**, which can be found in fake batteries, headphones or chargers, and pose safety risks of **fire or electric shock**.

Most common counterfeit electronic devices and electrical products found in Thailand are phones, batteries, power adapters/chargers and other household appliances.



Counterfeit electrical & electronic products

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In Thailand, most of the counterfeit electronics and electric products are imported from China, stored in warehouse and sold online.





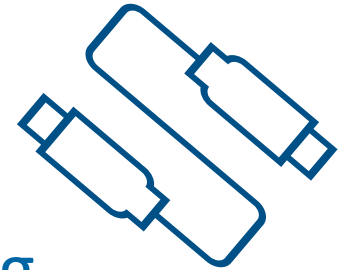
Counterfeit electrical & electronic products

Cases of accident, injury and death in Thailand

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- A man living in Bangkok was electrocuted to death charging his iPhone with a fake charger. The charger was not properly shielded or grounded. The cable was also substandard.
- A 24-year-old man was electrocuted to death while wearing earphones plugged into his mobile phone as it was charging with a counterfeit phone charger, with signs of burning around his ears. He appeared to have been listening to music or talking to someone, with the microphone section of the earphones resting over his lips.





Counterfeit electrical & electronic products

Cases of accident, injury and death in Thailand

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- A Thai woman used fake power adapter and charger with an iPhone, which caused a loud explosion and burned the appliances.



- A Thai man received a call while charging his battery with a fake charger. His phone exploded in his hand, cutting parts of his fingers.



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