SEMINAR ON CUSTOMS ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

KENNETH WRIGHT | BANGKOK | 9TH SEPTEMBER 2019
EXPORT OF FAKES: GOVERNANCE FRAMEWORKS, ENFORCEMENT AND SOCIOECONOMIC FACTORS

KENNETH WRIGHT | BANGKOK | 9th SEPTEMBER 2019
INDEX

1. INTELLECTUAL PROPERTY.

2. IMPACT OF FAKE.

3. EXPORT OF FAKE.

4. CONCLUSION.
Intellectual Property

Property

Tangible

Tangible

Intellectual
Intellectual Property

- Industrial Property
- Copyright
## Intellectual Property

<table>
<thead>
<tr>
<th>Legal right</th>
<th>What for?</th>
<th>How?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copyright</td>
<td>Original creative or artistic forms</td>
<td>Exists automatically</td>
</tr>
<tr>
<td>Patents</td>
<td>New inventions</td>
<td>Application and registration</td>
</tr>
<tr>
<td>Trademarks</td>
<td>Distinctive Identification of goods or services</td>
<td>Registration</td>
</tr>
<tr>
<td>Industrial designs</td>
<td>External appearance</td>
<td>Registration</td>
</tr>
</tbody>
</table>
Intellectual Property

• Copyright
• Patents
• Trademark
• Trademark
• Design

Software.
Touch screen.
Start up tone.
Phone shape.
Intellectual Property
Intellectual Property

Registered ?

Time Limit ?

Geography ?
INDEX

1. INTELLECTUAL PROPERTY.
2. IMPACT OF FAKES.
3. EXPORT OF FAKES.
4. CONCLUSION.
Impact of Fakes
Impact of Fakes

IPR-intensive industries: contribution to economic performance and employment in the European Union

A joint study between the Office for Harmonization in the Internal Market and the European Patent Office

September 2013
Impact of Fakes

Contribution of IPR-intensive industries to employment

28% of all EU jobs were directly generated by IPR-intensive industries during the period 2011-2013: 60 million jobs.

An additional 10% were generated indirectly, by industries that supply goods and services to the IPR-intensive industries, for a total of 38% of all EU jobs: 82 million jobs.
Impact of Fakes

Contributions of IPR-intensive industries to GDP

42% of total economic activity (GDP) in the European Union was generated by IPR-intensive industries during the period 2011-2013.

This totals over €5.7 trillion annually.

- Trade mark: 35.9%
- Design: 13.4%
- Patent: 15.2%
- Copyright: 6.8%
- Geographical indication: 0.1%
- Plant variety rights: 0.4%
Impact of Fakes

$461 Billion-USD
Impact of Fakes

• Three or more persons.

• Existing for a period of time.

• Acting together to commit crimes.

• To obtain an economic benefit.
Impact of Fakes

Ecstasy  0
Canabis  22.5
Heroin   45
Cocaine  67.5
Fake Viagra  90

University of Bonn, Germany.
Impact of Fakes

• Low Risk.

High Profit.
Impact of Fakes
Impact of Fakes
Impact of Fakes
INDEX

1. INTELLECTUAL PROPERTY.
2. IMPACT OF FAKES.
3. EXPORT OF FAKES.
4. CONCLUSION.
What products are targeted?

Seizures of counterfeit and pirated goods
Top industries by Harmonised System (HS) codes (2014, 2015 and 2016)

- Footwear (64)
- Clothing, knitted or crocheted (61)
- Articles of leather (42)
- Electrical machinery and equipment (85)
- Watches (91)
- Optical, photographic and medical instruments (90)
- Perfumery and cosmetics (33)
- Toys (95)
- Jewellery (71)
- Pharmaceutical products (30)
- Headgear (65)
Where do fakes come from?
Most counterfeit and pirated goods come from Far East Asia.

Seizures of counterfeit and pirated goods
Top provenance economies (2014, 2015 and 2016)

- China (People's Republic of) - 50%
- Hong Kong (China) - 20%
- Turkey - 10%
- Singapore - 5%
- Germany - 1%
- India - 1%
- FYR Macedonia - 1%
- Thailand - 1%
- Malaysia - 1%
- Mexico - 1%
- United States - 1%
- United Arab Emirates - 1%
Export of Fakes

- China: 73.04%
- Hong Kong, China: 10.29%
- Turkey: 4.26%
- Vietnam: 2.62%
- Syria: 2.08%
- India: 1.98%
- Egypt: 1.42%
- All other countries: 4.31%
• Governance.

• Free Trade Zones.

• Production Facilities.

• Logistic Capacities.

• Trade Facilitation Policies.
Predicted share of fake exports depending on the level of corruption control

Share of exports of counterfeit and pirated goods

- 6%
- 5%
- 4%
- 3%
- 2%
- 1%

High corruption

Low corruption
Predicted share of fake exports depending on the number of FTZs

Share of exports of counterfeit and pirated goods

- 4.5%
- 4.0%
- 3.5%
- 3.0%
- 2.5%
- 2.0%
- 1.5%
- 1.0%

No FTZs

Many FTZs
Predicted share of fake exports depending on the value of minimum wages

Number of annual days of leave per worker
Impact of the ability to trace and track consignments on the share of counterfeit and pirated exports
Predicted impact on exports of fakes depending on trade information availability

Involvement in the world trade community
INDEX

1. INTELLECTUAL PROPERTY.

2. IMPACT OF FAKES.

3. EXPORT OF FAKES.

4. CONCLUSION.
Conclusion

• Copyright
• Patents
• Trademark
• Trademark
• Design

Software.
Touch screen.
Start up tone.
Phone shape.
Conclusion

**Contribution of IPR-intensive industries to GDP**

42% of total economic activity (GDP) in the European Union was generated by IPR-intensive industries during the period 2011-2013.

This totals over €5.7 trillion annually.
Conclusion
• Governance.

• Free Trade Zones.

• Production Facilities.

• Logistic Capacities.

• Trade Facilitation Policies.