



# Last Surveys and Report on Counterfeiting



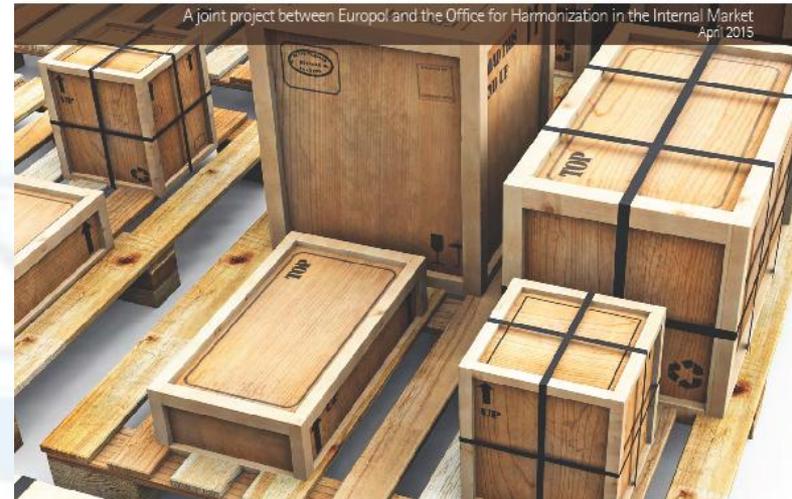
**A short list of the latest surveys and reports issued about counterfeiting**

## A joint project between Europol and the Office for Harmonization in the Internal Market

<https://oami.europa.eu/ohimportal/documents/11370/80606/2015+Situation+Report+on+Counterfeiting+in+the+EU>



### 2015 Situation Report on Counterfeiting in the European Union



## Main points :

All sectors / Transnational business / e-shopping and e-commerce (counterfeited websites are increasing)

Counterfeiting is now regarded by criminals as having lower risks and providing higher returns than drug trafficking.

Well resourced and well organized networks.

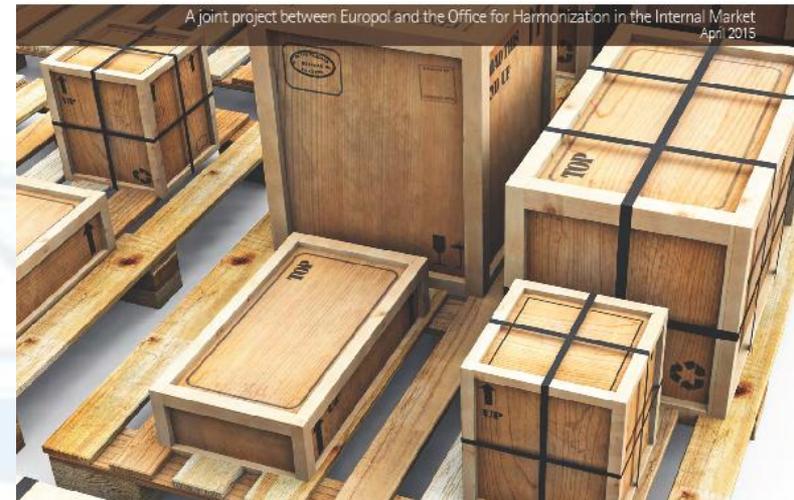
Increasing role of Free Trade Zones (3000 FTZ in 135 countries, including 82 in Europe)

Emergence of EU production of counterfeit goods  
→ Lower risk of detection by customs

Need for more innovative and inclusive global responses from public and private stakeholders



## 2015 Situation Report on Counterfeiting in the European Union

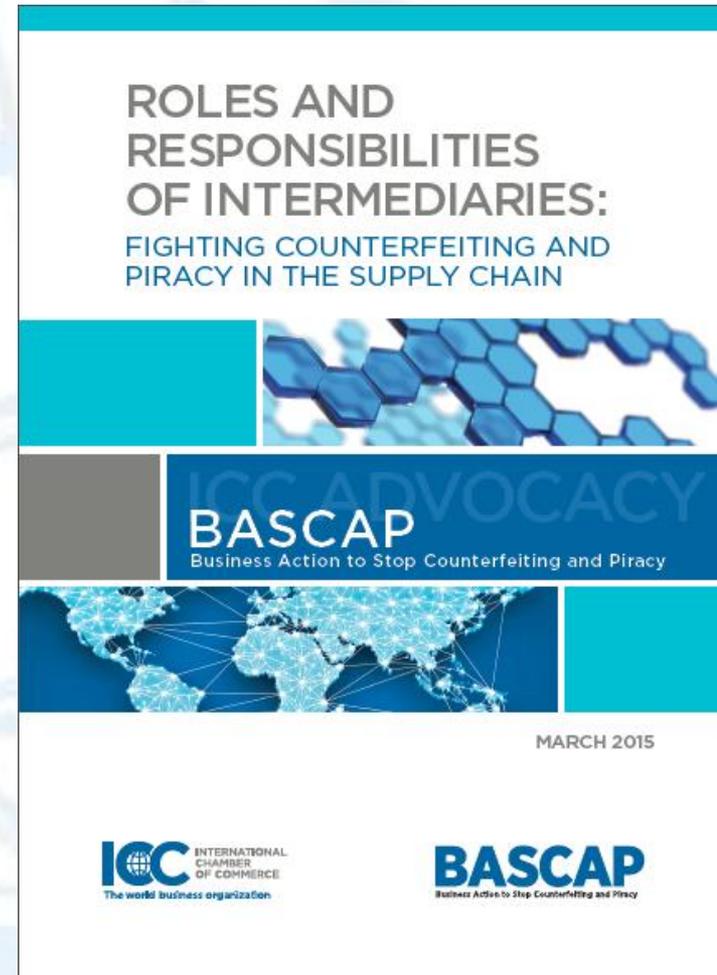


## Study on the role of intermediaries in the whole supply chain of counterfeited goods

<http://www.iccwbo.org/Data/Documents/Bascap/International-engagement-and-advocacy/2015-Roles-and-Responsibilities-of-Intermediaries/>

This body of work is intended to accomplish the following:

- To identify some of the intermediaries involved in a typical supply chain;
- To show how criminals can infiltrate the supply chain and infringe on IP rights through these intermediary channels;
- To document the steps being taken to prevent this infiltration; and
- To suggest further steps to curb the abuse of intermediaries by criminal agents to facilitate the sale of fake goods.

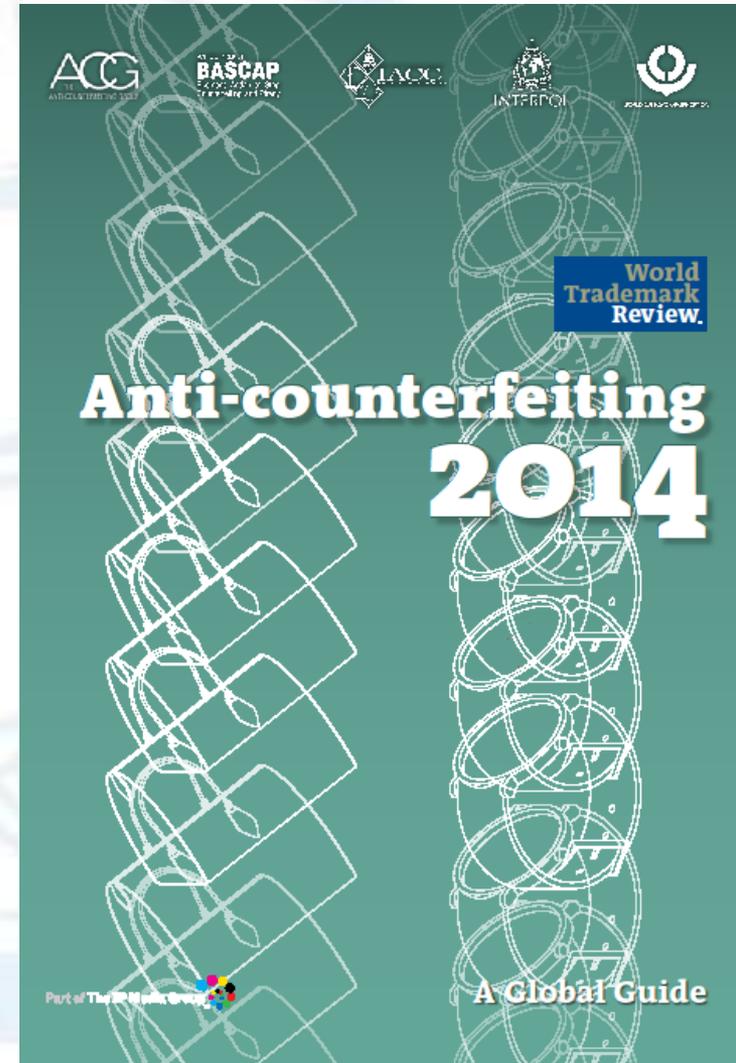


## A practical, country-by-country analysis of anti-counterfeiting procedure

<http://www.worldtrademarkreview.com/Magazine/Download?issueGuid=7b2bfba6-9d42-468a-bb86-ca4078d63a2e>

2015 Edition is available online at :

<http://www.worldtrademarkreview.com/Intelligence/Anti-counterfeiting/2015>



- Guide made by the Mobile Manufacturers Forum - Issued in February 2014

<http://spotafakephone.com/publications.cfm?cat=White%20Paper>

- Black market : 10% of worldwide sales in 2010

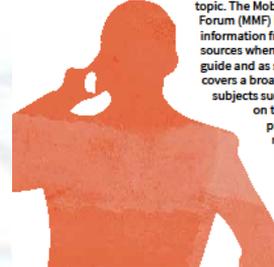


## 1 INTRODUCTION

There has been a proliferation in recent years in the manufacture, distribution, and sale of black market mobile phones (commonly referred to as counterfeit and substandard phones). While this problem has created significant adverse consequences for society, governments do not yet fully understand the scope and nature of the problem. Governments continue to face significant challenges in finding effective solutions to this problem given the innovative and creative ways used by people and entities engaged in this illicit activity to evade enforcement/legal measures.

Despite the severity of the problem, very few resources currently exist for governments to draw on in order to understand the problem and to assist them in developing appropriate solutions. Also, there continues to be a dearth of comprehensive information educating consumers about the risks of purchasing black market cell phones. The goal of this resource guide is to create the most authoritative and comprehensive resource guide for governments/consumers on this topic.

The Mobile Manufacturers Forum (MMF) has collected information from a variety of sources when preparing this guide and as such this guide covers a broad range of relevant subjects such as information on the scope of the problem, the various risks to society, and benchmarking information on legislative and technical solutions.



<sup>1</sup> The term "shanzhai" comes from the Chinese characters for "bandit" or outside of government regulation and this term is typically used to refer to fake and knockoff electronics and other products manufactured in China outside of government regulations that are widely distributed in and outside of China. The terms Shanzhai products or "black market" products are used interchangeably in this paper. Black market or Shanzhai products should not be confused with the "gray market" products, also known as the parallel market, which is the trade of a commodity through distribution channels which, while legal, are unofficial, unauthorized, or unintended by the original manufacturer.

## 2 WHAT IS THE DIFFERENCE BETWEEN COUNTERFEIT AND SUBSTANDARD MOBILE PHONES?

While there are more similarities than differences between counterfeit and substandard mobile phones, it is important for governments to understand the difference. Counterfeit and substandard cell phones (which are collectively referred to as 'Shanzhai' or 'black market' products) are the same in the following significant ways: the IMEIs on both categories of mobile phones are likely to be invalid<sup>2</sup>; both counterfeit and substandard mobile phones avoid the payment of patent royalties to the rightful intellectual right holders; both use inferior or used chipsets and other components; and, both fail to comply with applicable country legal requirements regarding sale and distribution of these devices. There is, however, an important difference, between these two subsets of black market mobile phones that is important for governments to understand because they underscore the need to craft solutions that are designed to control the distribution of both categories of handsets.

A **counterfeit mobile phone** is a product, which explicitly infringes the trademark or design of an original or authentic product. A counterfeit mobile phone copies the trademark (brand) of an original well-recognized brand, copies the form factor of the original product, and/or copies the packaging of the original product. In other words, a counterfeit mobile phone is an identical copy of the original brand or similar to the original brand (in terms of copying the trademark or the design) for all practical purposes it can be considered to be a 'copy' of the original 'branded' product. This includes, for example, those products which adopt a label felt to be amusing and humorous by playing with the established brand name (e.g. 'Nokla' or 'SunSang').

<sup>2</sup> The GSMA maintains a unique system known as the IMEI Database (IMEI DB), which is a global central database containing basic information on serial number (IMEI) ranges of billions of mobile devices (e.g. mobile phones, laptop data cards, etc.) that are in use across the world's mobile networks. The IMEI is a 15-digit number that is used to identify the device on mobile networks. The GSMA provides access to the IMEI DB and its data to GSMA member mobile network operators across the world, and to qualified industry parties (i.e. manufacturers of device management products and regulatory authorities). The network operators use the information in the IMEI DB to determine what types of devices are being used by their customers on their networks, and what features the devices support, so they can offer the latest services to their customers through their networks.

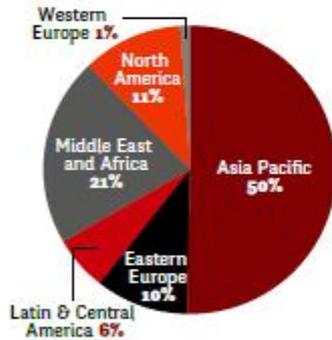
# Counterfeit / Substandard Mobile Phone

**148 MILLION FAKE PHONES IN 2013....**  
**AND YOURS? FAKE OR GENUINE?**

**MMRF**  
 Mobile Manufacturers Forum

There is very little awareness amongst consumers and governments about the degree to which counterfeit mobile phones are being sold and shipped around the world. This is an issue that impacts everyone of us.

### Where is it happening?



**That is:**

- ✗ lost economic growth....
- ✗ lost job opportunities, and
- ✗ lost taxes and duties

### What's the scope?



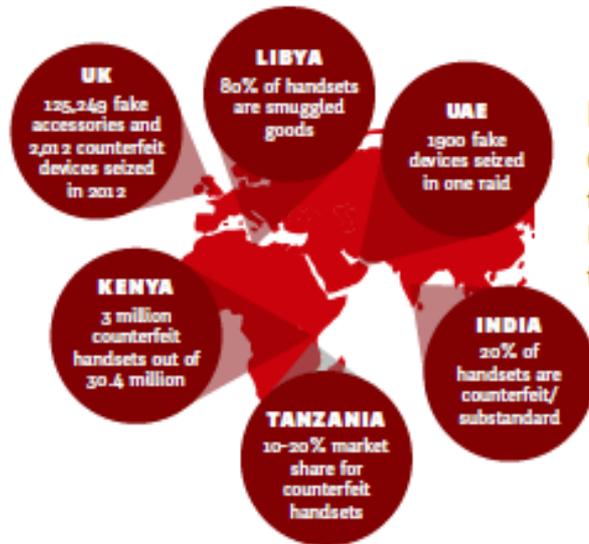
counterfeit/substandard handsets sold globally

### What's the impact?



For example:





## Not in my country? Well, probably yes!

Organised criminal networks undertake counterfeiting and the smuggling of these products around the world. The United Nations Office on Drugs and Crime estimates that the trade in all counterfeits is worth \$250 Billion per year.

## A real threat to health and environment

Counterfeits or fakes by their nature are illegal and those behind them aren't interested in the safety checks or in meeting the quality standards for regular products. Some of the counterfeit phones have been found to contain high levels of lead and other substances which can harm the environment and are a danger to human health.



**IS MY PHONE GENUINE OR FAKE?**  
 FIND OUT BY CHECKING [WWW.SPOTAFAKEPHONE.COM](http://WWW.SPOTAFAKEPHONE.COM)

**THANK YOU**

**MERCI** - 감사합니다

