

SUPPLY CHAIN TOOLKIT 2014



Supply Chain Toolkit 2014 Edition

This informative toolkit for businesses and SMEs aims to raise awareness of counterfeit goods entering legitimate business supply chains, and offers them guidance on how to strengthen and protect their assets. It includes a step by step approach on what action should be taken if counterfeits are found within the supply chain.

An electronic copy can be found at <http://www.ipo.gov.uk/ipctoolkit.pdf>

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Foreword

The supply chain is the system of organisations, people, technology, activities, information and other resources involved in moving a product or service from a supplier to their customer.

This supply chain toolkit is produced by the National IP Crime Group, which includes representatives from government, industry and regulators. Members include trading standards, police, National Crime Agency (NCA) and Customs.

We have produced this toolkit to help make people more aware of the growing risk from counterfeit goods getting into business supply chains – it also gives guidance on how to strengthen and protect your intellectual property (IP) assets.

While it is mainly aimed at SMEs, we hope other businesses will also find the information useful. It takes readers through a step-by-step process to help them avoid problems. The steps cover areas relating to products, protecting rights, ensuring partnerships and making sure employees and associates have a common respect for IP. There is also advice on what to do when things go wrong.

We have included three examples covering different types of businesses and their role in the supply chain. We would like to thank TNT, ghd and Astra Zeneca for their contribution to this publication.

IP Crime Group

1 Avoiding Trouble

1a Introduction

Have you considered what you would do if things went wrong in your supply chain?

The cost of weak links in supply chains is too high to ignore. It is essential that businesses realise the importance of security and work together to keep the supply chain strong.

Current problems

Throughout the world, intellectual property (IP) laws have become increasingly important in protecting creativity and innovation – the drivers of the knowledge-based economy (using people's knowledge to benefit a business financially). There is a clear need for creators' rights and brands to be protected by continuing to make the very best of creative opportunities.

Over the past ten years the sudden increase in IP crime (counterfeiting and piracy) has created one of the biggest problems facing many businesses around the world. IP crime has spread from cottage industries producing poor quality, counterfeit fashion accessories and goods, to massive manufacturing plants that can produce cheap copies of everything from home entertainment products and electrical appliances to medicines, car parts and household goods. Sometimes, these cheap copies can be very dangerous.

As more national borders open for trade, the international threat grows – the greater the opportunities for legitimate businesses to invest in developing countries, the greater the risk from organised counterfeiting networks.

Counterfeiting and piracy has become a clear and serious threat. This can lead to job losses, higher taxes and higher prices being passed on to customers and taxpayers, who have to meet the extra costs of policing and the loss to the economy. There must be a coordinated approach to counter this, with the government, enforcement agencies and industry using the skills and expertise that are available to them. All the links in the supply chain must work together to develop business models that protect products, destroy waste and avoid duplicated effort. If this does not happen and good practice is not maintained, it will be difficult to learn from each other and the risk from criminals will increase. This document aims to follow the best practice used by market leaders to help businesses review their current supply chains and to understand the improvements they can make.

Securing the supply chain

As counterfeiters and pirates look for new ways to expand their illegal businesses, the security of business supply chains becomes increasingly important. Businesses must respond by using best practice to manage their communications and transactions efficiently. Investing in greater vigilance in supply chains offers more security, better efficiency, safer markets and can reduce costs in the long term. Among other things it helps to:

protect against counterfeiting and piracy and other forms of theft;

detect criminal activity early;

improve business-partner and customer satisfaction; and

manage inventories better and reduce costs.

The following sections are not intended to be a complete guide to supply chain security. They aim to raise awareness of the importance of protecting IP and identify areas where businesses might develop ways of working simply, efficiently and securely with their partners in the supply chain.

1b Protecting your rights

The first step in preventing counterfeiting and piracy is to make sure your rights are protected. Often, intellectual property (IP) is protected by more than one type of IP right and these give a different kind of protection. There are four main types of protection:

Patents – for new inventions or improved products and processes that are capable of industrial application;

Trade marks – identify goods and services of different traders;

Designs – protects the outward appearance of your product including the colours, shape, texture, decoration, lines and materials of the product or its packaging; and

Copyright – protects original artistic, literary, musical and dramatic works. This also covers computer programs, films, sound recordings and broadcasts and combinations of any of these things.

IP protection can also extend to trade secrets, varieties of plants, geographical indications, performers' rights and so on.

Registering your rights

You must apply to the Intellectual Property Office if you want to register a patent, a design or a trade mark in the UK (<http://www.ipo.gov.uk>). There are other ways if you want to register across Europe, which will also include the UK. For patents, you can also apply to The European Patent Office (EPO – <http://www.epo.org>) and for trade marks and designs you can apply to the Office for Harmonization in the Internal Market (OHIM - <http://oami.europa.eu>).

The World Intellectual Property Organization (WIPO - <http://www.wipo.int>) can be used to facilitate the protection of trade marks, patents and designs in many countries worldwide.

Your rights if you don't register

There are three important IP rights that you do not have to register:

- **copyright;**
- **the unregistered design right; and**
- **performers' rights.**

You are automatically protected for each of these rights – you do not pay a fee or fill in any forms. Often, these rights are protected even when the owner does not know it. Usually, your copyright work will be automatically protected overseas, in the same way that it is protected in the UK. The UK is a member of many international conventions, including the Berne Convention for the Protection of Literary and Artistic Works and the Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations. Both of these conventions are administered by WIPO. The UK is also a member of the Universal Copyright Convention (UCC), which is administered by the United Nations Educational, Scientific and Cultural Organization (UNESCO).

There are two different types of unregistered design right, one applies to the UK only the other applies to the EU.

What is 'passing off'?

The law of passing off relates to unfair competition. If a trade mark is not registered it may still be entitled to certain protection, called a passing off action. Passing off aims to prevent:

- **someone falsely presenting their goods or services as someone else's goods or services;**
- **damage to the goodwill and reputation of a business; and**
- **the public being misled.**

Further advice

IP is a complicated area and covers a range of different areas. For further information please see the Intellectual Property Office's website (www.gov.uk).

The Intellectual Property Office's Information Centre offers general advice on all areas of IP and can provide advice leaflets and guides. (Tel: 0300 300 2000) A list of further reading can be found towards the end of this booklet.

The Intellectual Property Office also has stands at many exhibitions and events across the UK and they offer training and workshops on IP issues.

Patent attorneys and trade mark attorneys

Patent attorneys and trade mark attorneys can give you advice and information and deal with all IP matters on your behalf. To find your local registered patent attorneys, contact the Chartered Institute of Patent Attorneys (CIPA - <http://www.cipa.org.uk>) and for your trade mark attorneys, contact the Institute of Trade Mark Attorneys (ITMA - <http://www.itma.org.uk>).

Other organisations

Organisations such as Business Support, Business Wales, Scottish Executive, Business Connect, Invest Northern Ireland, National Endowment for Science, Technology & the Arts (NESTA), and Innovation Relay Centres (IRCs), may be able to offer advice on making the most of your idea. Further contacts can be seen at <http://www.gov.uk>.

You should consider using a confidentiality disclosure agreement (CDA) if you are going to reveal confidential information to someone else. (A CDA is an agreement between businesses to keep information confidential.) You can access a booklet about CDA via <http://www.ipo.gov.uk/p-cda.htm>

1c Protecting IP in your organisation

Do your colleagues know enough about IP and the benefits to your business of protecting IP?

For any organisation, raising and maintaining awareness of issues relating to IP is vital. It will help to avoid possible losses and protect employees.

You wouldn't employ someone without first explaining safety in the workplace. Protecting IP is a vital part of your business, so you should also take the time to explain it. You do not need to send your employees on expensive training programmes to make them aware of issues relating to IP. Often, a basic level of awareness will be enough, and you can achieve this with simple posters and workplace seminars.

The following are just some of the potential benefits.

- Colleagues and employees will understand the difference between patents, trade marks, registered designs and other IP rights and why they are so important. Trade secrets will be safer.
- Colleagues and employees will be better able to recognise when IP laws are being broken. (Breaking the law on IP rights is called 'infringement').
- Every employee in a business is responsible for the security of the business and for protecting its IP rights. Appointing an 'IP champion' can be a very effective approach.

The IP champion should:

- create an up-to-date inventory;
- review the system of checks for protecting IP;
- perform risk assessments and prioritise any protection needs they identify;

- raise and maintain awareness of issues relating to IP;
 - find out information about the security of possible business partners, distributors and retailers;
 - build secure working relationships in and outside the business;
 - be the main contact for reporting infringements;
 - make sure there are nominated IP contacts at all business levels; and
 - identify the best ways to give advice about IP.
- whether any business partners or other contributors have been involved in developing or creating the IP;
 - any drawings;
 - any information on test results; and
 - a security mark, such as 'Confidential' or 'Restricted property'.

It may also help to have a confidentiality disclosure agreement (CDA) in place. (A CDA is an agreement between businesses to keep information confidential.)

Finally, you will have to decide how to protect your IP – do you want to register a patent, trade mark or design, rely on copyright, or simply keep it as a trade secret?

1d Creating a system of checks

Today, a large number of business assets come from innovation and creativity. So, it is essential that these IP assets are protected. Prevention and vigilance are the solutions to avoiding problems. Effective security is built on a company's ability to identify and recognise the value of its intellectual property at a very early stage.

Not registering your IP rights because your organisation doesn't have a system of checks (an internal mechanism) for recording the IP you create, can seriously weaken the security of your IP assets.

Identifying and recording your IP assets

It is extremely important to record newly created IP as early as possible, so you must have policies in place. Making a record of the IP can be a simple process. The record should include:

- the creator's name and signature;
- a witness signature;
- any plans (or marketing or sales strategies) to reveal the IP to the public;

Reviewing your IP assets

Reviewing your IP assets is very much like creating a financial report, except that it lists IP, how it is protected and, if possible, its value to the organisation.

The report can include the following:

- a list of your IP;
- how it relates to specific products or services;
- the status of the IP (that is, has an application been made, will the rights be registered, unregistered, licensed or assigned?);
- details about the creator (or author) of the IP, including any outside partners;
- agreements with developers, employees, suppliers, retailers and so on;
- prior obligations (for example, ownership agreements);

- Copies of confidentiality markings;
- any infringement disputes; and
- the value of the IP to your organisation when it was first disclosed to the public.

1e Working with other people

The ownership of IP can be the subject of disagreements between businesses, individuals and organisations. The main issues relate to money, control of the IP, and the use of your rights. Effective partnerships can be extremely useful for large projects.

It is always important to start thinking, at an early stage, about how your rights will be used.

Licensing is generally used to make sure that the owner of the IP keeps control of how their rights are used by other people or organisations. So, you must consider using licence agreements, and review any existing licences to make sure that the agreed use of IP is clear. Also, if there are any agreements or licences that need to be discussed, you must think carefully about all the ways your IP may be used or presented by the licensee. For more information please see the Intellectual Property Office's booklet on licensing (<http://www.ipo.gov.uk/licensingbooklet.pdf>).

1f Packaging and product design

It is important that products and their packaging are designed so they cannot be easily copied. This often involves introducing complicated labels or parts that are difficult to produce, but this can increase production costs. However, losses from counterfeiting and piracy can be many times higher. So, to prevent counterfeiting throughout the supply chain, many companies are now investing in more advanced labelling systems (such as holographic stamping) and building their trade marks into all the main parts of their products and packaging.

Packaging design has become a very important way of tackling counterfeiting. Printing and design help customers to identify authentic products and can

also be used to give information or instructions. To help protect products, packaging must also be sturdy enough to keep its appearance when it is being stored or transported.

Helping the Police and other enforcement agencies

Make sure that all packaging and labels are strong and distinctive. Counterfeiters and pirates often cut their costs in the areas of packaging and labelling. Respected businesses are putting more investment and care into packaging their products. This helps enforcers because they know to look out for flimsy binding and wrapping, and poor quality printing and logos.

What you should do

- Match the product, model numbers and equipment details across the packaging. Counterfeiters will often put fake electrical or household products in boxes for clothing or other goods, so they can avoid getting caught or paying tax (duty).
- Show the manufacturer's contact information. Legitimate companies will normally give customers a contact phone number, website and/or address.
- Include 'safety guarantee' labels on your products. Almost all products made by legitimate manufacturers should have safety-certificate labels on them.

What you should not do

- Use plain boxes. These days most product labels and boxes carry a lot of information, including barcodes, trade marks, patent information and recycling instructions. Counterfeiters will not want to spend time and money trying to reproduce these details.

- Ignore spelling or grammatical errors – these are common on the packaging for counterfeit goods.

1g Manufacturing – Partnerships and outsourcing

Building the foundations

- Make sure you only buy genuine materials and parts from authorised suppliers. Ask for invoices and keep them.
- Use business information agencies and Companies House records to check that your suppliers, subcontractors, distributors and customers are legitimate.
- Advise your suppliers that you will only accept genuine goods and give them clear guidance about what you expect from them.
- Develop clear guidance for manufacturers and suppliers from overseas to make sure that containers and packaging are sealed, secure and tamper-proof.
- Make sure contacts contain quality control checks and audits. Also ensure contracts contain termination clauses and conditions for return of products.

Controlling distribution

- Develop a system of checks so that sales and marketing teams can be sure that customers are legitimate.
- Make sure that customers have legitimate outlets for selling or distributing your goods.
- Monitor customers' buying patterns and make further checks if you notice anything out of the ordinary.
- Develop guidance for wholesale and retail customers and give them clear advice about what you expect from them.

- Make clear, in contracts or conditions of trading with sellers, subcontractors and distributors, that it is not acceptable for them to deal in fake goods as it may affect your reputation.
- Develop guidance for sellers, subcontractors and distributors and give them clear advice about what you expect from them.
- Only sell to distributors who are legitimate and auditable (have their accounts officially audited).
- Carry out checks on your distributors' partners.
- Look out for, and sign up to, certified retailer or distributor schemes – particularly if the scheme will invest resources in business or geographical areas which suffer from higher levels of counterfeiting and piracy.

Maintaining your system of checks

- Use 'mystery shopping' to buy back products you sold to distributors and check that the products are priced, packaged and labelled correctly and lawfully.
- Use 'track and trace' methods.

Waste Management

- Destroy or recycle your waste and damaged products.
- When you recycle waste, make sure that you deal with legitimate, auditable partners.
- Develop guidance for organisations that deal with your recycling and give them clear advice about what you expect from them.
- Regularly check well known internet sites, for example auction sites, and report anyone breaking the law on counterfeiting and piracy to the owners of the website.

2 Reducing the risk of IP crime

2a Planning ahead

Unfortunately, many companies and rights owners only realise that their IP has been stolen or, in case of registered designs intentionally copied (that is, counterfeited or pirated) when the fake goods appear on the street. An ‘early warning’ system is vital. Raising awareness and educating colleagues, including sales staff, distributors and retailers can help to tackle problems early.

Consider introducing:

- a system of formal processes for reporting problems (for example, specific phone numbers, e-mail addresses and report sheets);
- incentive schemes to reward customers on staff awareness;
- seminars on IP crime – provide educational material about IP laws and give staff updates in newsletters; and
- use research teams to carry out ‘mystery shopping’ to make sure your IP rights are not being infringed. The Market Research Society will be able to help you undertake market research: www.mrs.org.uk.

Be prepared to act quickly when there is a problem

- Keep detailed information about the products for law enforcement authorities (police, Customs and trading standards) and business partners you trust.
- Apply for Customs protection directly if you think that goods in international trade may infringe your rights. Give them as much information as you can about the products, licencees, how products are transported and the possible methods used to abuse your IP rights. It will be too late for Customs to act

once infringing goods are in free circulation within the European Community (EC).

- Agree memorandums of understanding (MOUs – written agreements between partners of what they can expect off each other in their working relationship) with UK Customs and overseas customs authorities.
- Provide technical advice and equipment where appropriate.
- Help Customs, the police and trading standards if fake goods are found – you may have to keep goods so they can be examined.
- If the court agrees that your IP rights have been infringed, help Customs, the police and trading standards destroy the fake goods.
- Share any information you have about counterfeiters, copyists and pirates with enforcers and your business partners.
- Make sure Customs, IP rights departments, the police, trading standards authorities and ‘market inspectors’ in countries where you carry out your business know how to contact you.
- Make time to develop strong links and formal agreements with your lawyers so that, if necessary, you can take action quickly and effectively. If your business trades overseas, build good relationships with lawyers in those countries.
- Set some money aside to use if things do go wrong.

The following measures will help you to spot abuse of IP rights when it happens. They will also help to create a network that will allow you to keep your business up to date with IP issues.

- **Educate** your colleagues, employees and partners about IP laws
- **Carry out checks** on your colleagues, employees and partners

- **Keep records** of your IP assets and rights, and have the records audited
- **Register** your rights
- **Introduce** policies and procedures, within your business and with your partners
- **Develop** effective licences and agreements
- **Build links** with lawyers and enforcers
- **Develop** pre-enforcement processes
- **Get to know** your international markets

Total security is impossible and criminals are always finding new ways to profit from other people's creativity. When this happens you will need to take action and get support.

Taking action

- Taking legal action against criminals can help put other, potential criminals off
- Use restraint and seizure orders
- Use civil action, such as a court injunction to stop the illegal activity

2b Working with law enforcement authorities

You should always consider making a complaint to the authorities (such as the police or trading standards), even in minor cases of infringement. The information you give may provide details that were missing, or a new angle, on an existing investigation into organised crime. You should also be aware that, while laws relating to trade marks, copyright, product design and patents are the same across the UK, there are three separate criminal justice systems, one each for Scotland, Northern Ireland, and England and Wales. Each of these systems may prosecute criminals differently, so you should get the appropriate authority involved as soon as possible.

The law enforcement authorities in the UK

In the UK, cases of counterfeiting and piracy may involve a number of crimes being committed, so there are a number of ways that criminal law may be applied.

This could mean that more than one enforcement authority is involved in any investigation. The main authorities are:

- The police;
- Action Fraud;
- Trading standards (local government officers); and
- Customs, (as appropriate) and/or the United Kingdom Border Agency (UKBA).

The police

Counterfeiting, piracy and the intentional copying of a registered design are criminal offences and they carry a maximum sentence of 10 years in prison, a fine, or both. The police often work with trading standards officers (TSOs) and Customs to fight counterfeiting and piracy.

Under the Trade Marks Act 1994 and the Copyright, Designs and Patents Act 1988, the police can ask the court for warrants to enter and search homes and businesses for evidence of infringement of IP rights. TSOs, who cannot arrest criminals, will often ask the police for help if they are searching premises and they think they may face the risk of harm or violence.

Action Fraud

Action Fraud is the UK's national fraud and internet crime reporting centre. It provides a central point of contact for information about fraud and financially motivated internet crime, including IP crime.

If you've been scammed, ripped off or conned, you can report it to Action Fraud and receive a police crime reference number.

Action Fraud can be contacted at www.actionfraud.police.uk or 0300 123 2040.

Trading standards

Trading standards usually has the largest role in investigating and prosecuting counterfeiting and piracy cases (except in Northern Ireland, where the main authority is the Police Service of Northern Ireland). Trading standards departments are part of local government and have a legal duty to enforce the Trade Marks Act 1994, Copyright, Designs and Patents Act 1988 and a power to enforce under the Registered Designs Act 1949. Under these acts, TSOs can make test purchases and they have the authority to enter premises to inspect and seize goods and documents.

Also, if they believe a crime has been (or is about to be) committed, and they do not think they would be given permission to enter the premises, TSO's can apply direct to a Justice of the Peace (a magistrate) for a warrant to enter the premises.

Your local trading standards office can be found at www.gov.uk/find-local-trading-standards-office.

Customs, HMRC and/or UKBA

The main Customs instrument for tackling IP infringements at the European Community's border is Regulation (EC) 608/2015. Under the Regulation rights holders are required to apply for protection of their rights in an application for action (AFA) before customs administrations can take action. A single application may be made for protection within any number of Member States.

Where Customs identify goods at the border that they suspect infringe an IP right, covered by an AFA, they will detain the goods, tell the parties involved, provide samples on request and will ask the rights holder to confirm whether the goods are infringing or not.

Please note, however that the information Customs supplies cannot be used by the rights holder for

any other purpose than to provide a response to Customs about the infringing status of the detained goods; if you think other law enforcement agencies need to be informed or you wish to use the information for other purposes, please obtain advice from the Customs case officer first.

Where the rights holder confirms goods are infringing Customs will:

- Detain goods infringing a registered IP right for up to 10 working days (can be extended by a maximum of a further 10 working days on request) to enable the rights holder to initiate proceedings in the appropriate court or reach agreement with the owner for their disposal.
- Where Customs detects goods that might infringe on IP rights but there is no current AFA in force the goods can be detained for a maximum of 3 working days to allow an AFA to be lodged. (This is called an "ex-officio action") Thereafter the procedure follows the first bullet point.
- In the case of perishable goods detention is for a maximum of three working days with no possibility of extension, and ex-officio action is not permitted.

Customs will only maintain the detention of the goods beyond the 10-day (or 20-day, if extended) deadline if evidence is produced to them that court proceedings have been commenced by the right holder against the owner, or that the owner has agreed to abandon the goods for destruction. A simplified procedure allows the owner's agreement to abandon the goods to be presumed where the right holder has been unable to obtain any response from the owner to the offer to abandon the goods.

Applicants for AFAs are required to indemnify Customs for all costs they incur in acting on an AFA, including destruction and storage charges and costs incurred in defending appeals against seizure.

Where the AFA procedure is not in place rights

holders may lodge a Notice requesting protection with Customs under Section 89 of the Trade Marks Act 1994 or Section 111 of the Copyright, Designs and Patents Act 1988. Where Customs intercept goods covered by a Notice they will seize them and this could result in the goods being forfeit.

2c Preparing your legal case

The law enforcement authorities have limited resources, so always be prepared to contribute to, and take an active role in, any investigation. It is extremely important to prepare and prove your case. You will be a witness and will be helping the case for the prosecution. You can do this by preparing, providing and giving evidence on some of the basic parts of the case.

You will need to:

- show your status and your authority to act as an expert witness;
- follow instructions on how to deal with evidence and if in doubt - check with the law enforcement agency;
- examine, and give statements about the goods, to prove that they are counterfeit;
- prove an offence has been committed (see Annex A) including providing that your IP rights are registered (a copy of the registered certificate will usually be enough).
- confirm that you have not given the person accused permission to use the rights.

If you have not registered your IP rights, you (as the rights owner or the authorised representative) should:

- Confirm that you have not given the person accused permission to use the rights.
- Give a statement of events, in chronological

- order.
- Give a statement about how securely the evidence has been kept. (It would be best to keep a written record showing when the evidence was received.)
- Be aware that anyone providing a witness statement must be prepared to go to court if they are asked to attend.

3 Examples of good practice

3a ghd and TNT - successful partnership working

ghd make hair straighteners and other hair-styling products and were established in West Yorkshire in 2001. <http://www.ghdhair.com>

This is a very successful brand, with a robust enforcement policy. It has experienced phenomenal growth, from startup in 2001 to an estimated £150 million in 2010. It is a global brand, with operations in 17 countries employing about 600 people worldwide, so it operates a complex series of supply chains.

ghd is an attractive and lucrative proposition for counterfeiters for the following reasons:

- high demand for the genuine product due to its iconic brand status
- low quality copies are cheap to produce
- low level of suspicion because it is difficult for consumers to distinguish between the real ghd's and counterfeits
- low risk of detection, or of imprisonment if caught
- ease of shipping fake product via traditional postal route direct to consumers.

Fakes have an international supply chain and counterfeiters overproduce so need to find new markets. They follow the same business models as legitimate industry in this global trade. A successful brand protection strategy requires co-operation between stakeholders - the brands, law enforcement and service providers such as express delivery companies.

e-commerce is only one part of the supply chain as counterfeit goods must still move from point A to point B via traditional supply routes. In the legitimate supply chain the movement of material can be tracked from pre-export through export, import and post-import, but this is more difficult for the counterfeit goods supply chain.

EU Customs (including the UK), as a pillar of the EU's Action Plan to combat IP infringement, are working with Chinese Customs on a project to increase detection and seizure of counterfeit products before they leave China, heading for the West.

The following example shows how well stakeholder collaboration can work when carriers who transport all kinds of goods around the world understand the issues and support rights holders in finding solutions. Likewise, when rights holders have a similar appreciation of the limitation of carriers to act independently, except under direction and supervisions of customs authorities.

TNT had innocently carried fake versions of ghd products but thanks to an understanding of the ghd business model, TNT could identify key indicators of fakes and target suspect shipments.

From September 2008 through 2009, TNT and ghd developed a strategy to scrutinise ghd's supply chain, established realistic parameters for TNT's engagement in the problem, set up an effective communication network and engaged with enforcement agencies, particularly Customs, leading to a joint operation with Customs/UKBA and the police.

In May 2009 a target was identified and a long term surveillance operation was planned. The target was dealing in multiple brands across the country and also involved in other criminality. As a result of good partnership working a successful raid was carried out and investigations are ongoing.

3b A transport company's view on IP crime – TNT Express

We transport millions of shipments of goods around the world every week. Some of our customers have been found guilty of IP crime, and shipments of counterfeit material have been discovered within our network.

We have also been the victim of IP crime – our name has been used illegally on counterfeiter's websites, fake payment portals (where financial transactions are carried out over the internet) and even vehicles and packaging to provide authenticity to illicit activity. Our security department works hard to search the internet to identify these sites and close them down. This can be difficult, requiring a great deal of skill and resources. Understandably, identifying shipments containing counterfeit goods is even harder.

By law, we have to provide HMRC with a description of the goods presented for customs purposes, but not the brand of the goods. To the transporters, handbags are handbags and glue is glue. Even if we were asked to identify the brand of the goods, it would make little difference, as your average driver, warehouseman or export clerk would not be able to tell genuine goods from counterfeit goods. Indeed it would be legally dangerous to attempt this without due authority.

So, what has TNT done to help stop counterfeit goods being transported?

- We have developed and introduced an internal awareness campaign for all functions.
- We have developed a policy on abuse of IP rights and made all our staff aware of it.

The policy states that if we find out one of our customers is transporting counterfeit goods, we will tell them of our policy and if the problem continues they will be subject to increased checks. Repeated occurrences of counterfeit consignments will result in the closure of their account with TNT.

We advise the following:

- Contracts with agents, consolidators and postal authorities should contain a clause about counterfeit shipments.
- Memorandums of understanding should be developed with customs authorities and property-rights associations (if this is possible).
- A policy of voluntary disclosure to Customs should apply if a possible abuse of IP rights is discovered.
- A system should be introduced to monitor shipments of counterfeit goods that have been discovered in our networks.
- Try and keep updated with developments in government and EU work streams.

We continue to take part in the Annual World Customs Organization's congress on IP rights, meeting with many major property-rights owners and sharing our experience with other integrators. Furthermore we participate in reviewing the EU legislation on customs enforcement with IPR.

The transport industry is in an unusual situation – we are a victim of IP crime and want to do everything we can to stop shipments of counterfeit goods moving through the supply chain. But at the same time, our customers, who are also IP owners, want us to provide the quickest possible door-to-door service for delivering their goods. This means that one part of our organisation appears to work against another part.

The transport industry can play a major role in the fight against IP crime and should be recognised as a potential partner – we should not be seen as helping to transport illegal goods, nor as an easy target for criminals. Sharing information, exchanging intelligence with the authorised agencies and building closer working relationships with our partners and law enforcement authorities is the only way to beat this crime.

3c A pharmaceutical company's view on working with HMRC to tackle IP crime – AstraZeneca

AstraZeneca is an international healthcare business that researches, develops, manufactures and markets prescription medicines, and supplies healthcare services.

We are one of the world's leading pharmaceutical companies with sales of US \$29.55 billion. Our Global Security team investigates incidents, monitors marketplaces for illegal trade and works with law enforcement authorities. The team also works with other parts of the business to help maintain the strength of the supply chain. This work includes assessing new technologies, our legal powers and improvements to the supply chain, and working to protect the public from counterfeit medicines.

Any strategy to tackle IP crime should involve working with Customs. Customs are the 'frontline' and are the authority that can best stop illegal products from entering the marketplace in the first place, so it is best to get them involved in any strategy as early as possible. The four main parts to producing a strategy for working with customs are as follows.

- **Customs Trade Mark Recordation**

This is particularly relevant within the EU, where Customs may not stop a shipment unless the goods carry a trade mark that they have a record of. At first this may seem to be a intimidating process but if you prioritise the measures, it won't be difficult. Record your 'house mark' first. You should use the same main point of contact on each form, for example, the Global Security switchboard. Other points of contact should be within the UK, but you can give someone's position (such as managing director) rather than their name.

- **Training**

The best tool you can provide when training a

country's (or region's) customs authority is a hand-out that describes the usual, legal supply chain into that country or region. The hand-out should include details of agents and logistics providers, points of entry (ports, airports and so on) and who should receive the goods. You should also include an example of one of your company invoices that contains any unique coding details. This type of information is not usually confidential so you can also say that if your client wants to use a different type of invoice, it will be treated as suspicious.

- **Maintain an efficient system of checks**

If customs detain goods they believe are counterfeit, they will send samples of the goods to your main point of contact for you to check if they infringe your IP rights. In the EU, you only have 10 days to carry out your checks (although in special circumstances you may be given an extra 10 days). So, it is essential that you can carry out these checks quickly and efficiently.

- **Taking your case to court**

If the samples infringe your IP rights, you must be prepared to file a civil complaint to support any legal action Customs take. (In the UK, civil complaints are usually based on the Trade Marks Act 1994.) This process can only give you access to more details about the case. Obviously, these cases begin outside of Customs' area of legal responsibility, so it may be up to your company to try to prosecute the suppliers of the illegal products.

We and our peers have had great success with this strategy where goods seized by Customs have helped us to stop counterfeit medicine from reaching the markets after being imported from the Middle East, Latin America and the Far East.

However, you should be aware that current EU laws can be difficult to apply to IP crime detected by Customs. In particular, legal decisions about transhipments or 'import for export' can be very complicated. We hope that increased pressure from

businesses that suffer from abuse of their IP rights will help to improve the legal process in these areas. It will help Customs authorities and the right holders to protect the customers from this dangerous trade. In essence counterfeiting needs to be distinguished as a pre-meditated crime and law enforcement need to be given the tools to vigorously pursue it. In IP terms that distinction is basically between trade mark and patent infringement where the former is usually a pre-meditated attempt at deception.

Further Reading

MY Equip App

www.ipo.gov.uk/blogs/equip/how-to-identify-business-assets/

The success of your business depends on your commitment to your business assets. What seems unimportant today might be worth millions of pounds in the future.

IP Healthcheck Series

A suite of booklets and online tools for businesses which have been developed to help you identify your intellectual assets and advise you how best to exploit and protect them.

- Resolving IP Disputes
www.ipo.gov.uk/resolvingipdisputes.pdf
- Licensing intellectual property
www.ipo.gov.uk/licensingbooklet.pdf
- Non-Disclosure Agreements/Confidentiality Disclosure Agreements
www.ipo.gov.uk/nda.pdf
- Agreeing a price for intellectual property rights
www.ipo.gov.uk/iprpricebooklet.pdf

Online IP Healthcheck

www.ipo.gov.uk/iphalthcheck

A free online diagnostic software tool. On completing a questionnaire, the IP Healthcheck produces a confidential report identifying areas a business may need to focus on, or where they may be weak, and helps them plan to make the most of their intellectual assets.

IP Insight

www.ipo.gov.uk/news/ipinsight.htm

IP Insight is a monthly E-newsletter bringing you the latest developments in IP news, views from the Intellectual Property Office and IP professionals, IP

stories in the media, and details of IP events and exhibitions.

Annual IP Crime Report

www.ipo.gov.uk/penforce/penforce-crime/penforce-role/penforce-report.htm

The IP Crime Group has produced the Annual IP Crime Report since 2005 to inform government, local authorities and the wider law enforcement and criminal justice organisations about the IP crime problems the UK faces.

PoCA Leaflet

www.ipo.gov.uk/pocaleaflet.pdf

Raising awareness of the use of the Proceeds of Crime Act (PoCA) in tackling IP crime, this leaflet targets consumers and market traders, warning would-be buyers and traders of counterfeit goods of the real cost - not only in terms of economic damage but also the risks to health and safety.

Preventing Infringement of Intellectual Property (IP) Rights in the Workplace

www.ipo.gov.uk/penforce/penforce-crime/penforce-role/penforce-group/penforce-workplace.htm

Research published by the Intellectual Property Office in 2009 (<http://www.ipo.gov.uk/report-workplaceresearch.pdf>) highlighted the lack of awareness of IP crime in the workplace. The IP Crime Group have developed guidance for businesses, from larger organisations, to SMEs and the hospitality sector (launched September 2011). The guidance has practical information and advice for Human Resources, Finance and Information Technology personnel and will include tools to help raise awareness to managers and staff.

Customs Notice 34

www.hmrc.gov.uk (search on “notice 34 intellectual property rights”)

This notice (April 2010) describes the procedures for customs enforcement at the EU external border and how to apply for customs action.

Further resources

Business advisors

www.ipo.gov.uk/whyuse/business/business-support.htm

There are networks of business advisors in England, Northern Ireland, Scotland and Wales offering advice to businesses of all sizes.

The European Observatory is hosted by OHIM. The Observatory network brings together a wide range of stakeholders who use their technical skills, experience and knowledge to protect and promote IP rights and support those directly engaged in enforcement.

Business events

www.ipo.gov.uk/whyuse/events/events-calendar.htm

There are numerous events throughout the UK and abroad, facilitated by the Intellectual Property Office, which have an intellectual property or business focus. These events offer delegates advice and information about the benefits businesses gain from understanding, using and protecting their intellectual property. The calendar is updated regularly so keep checking it to see what's new.

European Patent Office (EPO)

www.epo.org/learning-events/materials/inventors-handbook.html

The purpose of this Inventors' Handbook is to provide you with basic guidance on all the key stages of turning an invention into a commercial product.

European project - IPeuropAware

www.innovaccess.eu/home.html

Provides assistance to SME's and other stakeholders in IP issues. InnovAccess provides SME's with direct access to national and EU resources and general IP issues.

The Office for harmonization in the Internal Market (OHIM)

www.oami.europa.eu/ohimportal/en

OHIM is the European Union agency responsible for managing two important vehicles for the protection of creativity and innovation - the Community trade mark and the registered Community design.

The following list contains some contact details you may find useful. It is not a full list but it does provide a good starting point.

Useful contacts – UK

The IP Crime Group

E-Mail: ipcrimegroup@ipo.gov.uk

The Anti-Counterfeiting Group (ACG)

Phone: 01494 449 165

Website: www.a-cg.com

Alliance for Intellectual Property

Phone: 020 7803 1324

Website: www.allianceagainstiptheft.co.uk

The Department for Business, Innovation and Skills (BIS)

Phone: 020 7215 5000

E-mail: enquiries@bis.gsi.gov.uk

The British Recorded Music Industry (BPI)

Phone: 020 7803 1300

Website: www.bpi.co.uk

The Association for UK Interactive Entertainment (UKIE)

Phone: 020 7534 0580

Website: www.ukie.info

The Business Software Alliance (BSA)

Phone: 020 7340 6080

Website: www.bsa.org

The Federation Against Copyright Theft (FACT)

Phone: 020 8568 6646

Website: www.fact-uk.org.uk

PRS for MUSIC

Phone: 020 7580 5544

Website: www.prsmusic.com

The Federation Against Software Theft (FAST)

Phone: 0845 521 8630

Website: www.fastiis.org

Customs (HMRC)

General enquiries

Phone: 0845 010 9000

E-mail: intenquiries@hmrc.gsi.gov.uk

Customs AFA enquiries only

E-mail: approvals.ip@hmrc.gsi.gov.uk

IFPI – The International Federation of the Phonographic Industry

Phone: 0207 878 7900

Website: www.ifpi.org

The Intellectual Property Office

IP Enforcement Unit

E-Mail: enforcement@ipo.gov.uk

Website: www.gov.uk

Police

www.police.uk

National Trading Standards eCrime Centre (NTSeCC)

www.tradingstandardseccrime.org.uk

Trading Standards Institute

www.tradingstandards.gov.uk

CrimeStoppers

Call anonymously with information about crime

Phone: 0800 555 111

Website: www.crimestoppers-uk.org

Institute of Trade Mark Attorneys

Phone: 020 7101 6090

Website: www.itma.org.uk

Food Standards Agency

Phone: 020 7276 8829

Website: www.food.gov.uk

Action Fraud

Phone: 0300 123 2040

Website: www.actionfraud.police.uk

The Chartered Institute of Patent Agents

Phone: 020 7405 9450

Website: www.cipa.org.uk

Anti Copying in Design

Membership hotline: 0845 644 3617

Website: www.acid.uk.com

The Law Society

Phone: 020 7320 5650

Website: www.lawsociety.org.uk

Useful contacts – international

Belgian Anti-Counterfeiting Group (ABAC/BAAN)

Phone: 00322 230 7420

Website: www.abac-baan.be

The International Association for the Protection of Industrial Property – Switzerland

Phone: 0041 44280 58 80

E-mail: mail@aippi.org

The Action group of Pharmaceutical Manufacturers (APM) – Germany

Phone: 0049 3020 3082717

Website: www.markenpiraterie-apm.de

Coalition for IP Rights (CIPR) – Russia

Phone: 0074 9577 50077

E-mail: peter.necarsulmer@cipr.org

International Confederation of Societies of Authors and Composers (CISAC)

Phone: 0033 (0) 155 62 08 50

E-mail: cisac@cisac.org

Comité Colbert (luxury brands) – France

Phone: 0033 (0)1 538 90 760

E-mail: info@comitecolbert.com

Danish Anti Counterfeiting Group (DAGC)

E-mail: phs@psglaw.dk

European Communities TM Association (ECTA)

Phone: 0032 2513 5285

E-mail: ecta@ecta.org

Entertainment Software Association – USA

E-mail: esa@theesa.com

Finnish Anti Counterfeiting Group

Phone: 0035 892 5300 652

E-mail: hanna-maija.elo@heinonen.com

Federation of the Swiss Watch Industry

Phone: 0041 323 280 828

E-mail: 1paichot@fhs.ch

The International Anti Counterfeiting Coalition – USA

Phone: 00 1 202 223 6667

Website: www.iacc.org

The International Chamber of Commerce (ICC) – Business Action to Stop Counterfeiting and Piracy (BASCAP)

Phone: 0033 1 49 53 28 27

Website: www.iccwbo.org/bascap

International Trademark Association (INTA) – USA

Phone: 01 (212) 642 1700

E-mail: info@inta.org

The International Recording Media Association (IRMA) – USA

Phone: 01 609 279 1700

E-mail: info@contentdeliveryandstorage.org

The Motion Picture Association of America (MPAA)

Phone: 01 818 995 6600

Website: www.mpaa.org

REACT, the European Anti Counterfeiting Network – Belgium

Phone: 032 2 230 74 20

Union des Fabricants – France

Phone: 0156 261 403

E-mail: info@unifab.com

VBP (German Anti Piracy Association)

Phone: 00 49 9918 530

E-mail: info@vbp.org

State Administration on Industry and Commerce (SAIC) – China

Phone: 0086-10-680 10463/13447

Website: www.saic.gov.cn

National Copyright Administration (NCA) – China

Phone: 0086-10-68003887

Website: www.ccopyright.com.cn

Copyright Society of China (CSC) China

Phone: 0086-10-68003910

Website: www.ccopyright.com.cn

Quality Brands Protection Committee – China

Phone: 0086(10)6505-5127

Website: www.qbpc.org.cn

Annex A

This is not an authoritative interpretation of the law and is intended only for guidance.

Elements of Key Offences

Trade Marks Act 1994 Section 92(1) A person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor:

- (a) applies to goods or their packaging a sign identical to, or likely to be mistaken for, a registered trademark, or
- (b) sells or lets for hire, offers or exposes for sale or hire or distributes goods which bear, or the packaging of which bears, such a sign, or
- (c) has in his possession, custody or control in the course of a business any such goods with a view to the doing of anything, by himself or another, which would be an offence under paragraph (b).

Section 92(1) (a), (b), (c), (2) and (3) offences are all hybrid offences, for which a maximum sentence of 10 years' imprisonment and or an unlimited fine are available by way of penalty on indictment. See Section 92(2) and (3) for other possible offences.

Section 92 (2) A person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor:

- (a) applies a sign identical to, or likely to be mistaken for, a registered trade mark to material intended to be used –
 - i. for labelling or packaging goods,
 - ii. as a business paper in relation to goods, or
 - iii. for advertising goods, or

- (b) uses in the course of a business material bearing such a sign for labelling or packaging goods, as a business paper in relation to goods, or for advertising goods, or
- (c) has in his possession, custody or control in the course of a business any such material with a view to the doing of anything, by himself or another, which would be an offence under paragraph (b).

Section 92(3) A person commits an offence who with a view to gain for himself or another, or with intent to cause loss to another, and without the consent of the proprietor.

- (a) makes an article specifically designed or adapted for making copies of a sign identical to, or likely to be mistaken for, a registered trade mark, or
- (b) has such an article in his possession, custody or control in the course of a business,

knowing or having reason to believe that it has been, or is to be, used to produce goods, or material for labelling or packaging goods, as a business paper in relation to goods, or for advertising goods.

Copyright Designs and Patents Act 1988 (CDPA)

Section 107 – Unauthorised copying Offences can relate to:

- CDs - music, film, computer software and games
- DVDs - music, film, computer software and games
- Video - music, film and games
- Publications
- Books
- Photographs and posters

Elements of the Offence

Section 107(1) A person commits an offence who, without the licence of the copyright owner:

- (a) makes for sale or hire; or
- (b) imports into the United Kingdom otherwise than for his private and domestic use; or
- (c) possesses in the course of a business with a view to committing any act infringing the copyright; or
- (d) in the course of a business:
 - i. sells or lets for hire; or
 - ii. offers or exposes for sale or hire; or
 - iii. exhibits in public; or
 - iv. distributes; or
- (e) distributes otherwise than in the course of a business to such an extent as to affect prejudicially the owner of the copyright, an article which is, and which he knows or has reason to believe is, an infringing copy of a copyright work.

Section 107(1) (a), (b), (d) (iv) and (e) above are hybrid offences for which a maximum sentence of ten years' imprisonment and/or an unlimited fine are available by way of penalty on indictment.

Section 107(1) (c), (d) (i), (d) (ii), and (d) (iii) above are purely summary offences for which a maximum sentence of three months and/or a fine of £5,000 are available by way of penalty. See Section 107 for other possible offences.

Registered Designs Act 1949

Section 35ZA(1) A person commits an offence if:

- (a) in the course of a business, the person intentionally copies a registered design so as to make a product;
- i. exactly to that design, or
 - ii. with features that differ only in immaterial details from that design, and
- (b) the person does so
- i. knowing, or having reason to believe, that the design is a registered design, and
 - ii. without the consent of the registered proprietor of the design.

Section 35ZA (3)

A person commits an offence if:

- (a) in the course of a business, the person offers, puts on the market, imports, exports or uses the product, or stocks it for one or more of those purposes,
- (b) the person does so without the consent of the registered proprietor of the design, and
- (c) the person does so knowing, or having reason to believe, that—
- i. a design has been intentionally copied without the consent of the registered proprietor so as to make the product exactly to the design or with features that differ only in immaterial details from the design, and
 - ii. the design is a registered design.

Section 198 Illicit Recordings

Section 198 - relates to offences of making or dealing in recordings, which are illicit and infringe performers' and owners' rights (i.e. this is piracy or 'bootlegging').

Bootlegging is the recording, duplication and sale of a performance such as a live concert without the permission of the performer. Section 198 offences are similar to those contained in Section 107 of the Copyright, Designs and Patents Act 1988.

Illicit recordings i.e. 'bootlegging'

- CDs – typically music, film
- DVDs – typically music, film

All the offences under Section 198 carry a mixture of sentences, as follows:

Elements of the Offence

Section 198 (1) A person commits an offence who, without sufficient consent:

- (a) makes for sale or hire; or
- (b) imports into the United Kingdom otherwise than for his private and domestic use; or
- (c) possesses in the course of a business with a view to committing any act infringing the rights conferred by Chapter 2 of the Act; or
- (d) in the course of a business:
 - i. sells or lets for hire; or
 - ii. offers or exposes for sale or hire; or
 - iii. distributes a recording, which he knows or has reason to believe is an illicit recording

Or

(Section 198 (1A)) A person who infringes a performer's making available right

- (a) in the course of a business, or
- (b) otherwise than in the course of a business to such an extent as to affect prejudicially the owner of the right, commits an offence if he knows or has reason to believe that by so doing, he is infringing the right.

(Section 198 (2)) makes it an offence to cause a recording of a performance made without sufficient consent to be

- (a) shown or played in public, or
- (b) communicated to the public

Section 198(1) (a), (b) and (d) (iii) above are hybrid offences for which a maximum sentence of ten years' imprisonment and/or an unlimited fine are available by way of penalty on indictment. The other offences under Section 198 carry a mixture of sentences.

Section 296 Copyright Protection Measures

Section 296 gives protection to technical measures taken by a rights holder to protect copyright works and prevent unauthorised copying. It gives the right to bring proceedings against anyone who deliberately supplies devices, or information which enables or assists the circumvention of technical equipment. In relation to computers and games stations this "circumvention" is commonly known as "chipping".

In respect of an infringement under Section 296 the copyright owner has the same rights as for offences under Section 107 and 198.

Elements of Offence

Section 296ZB(1) A person commits an offence if he:

- (a) manufactures for sale or hire, or
- (b) imports into the United Kingdom otherwise than for his private and domestic use; or
- (c) in the course of a business
 - i. sells or lets for hire, or
 - ii. offers or exposes for sale or hire; or

- iii. advertises for sale or hire, or
- iv. possesses, or
- v. distributes, or

- (d) distributes otherwise than in the course of a business to such an extent as to affect prejudicially the copyright owner

Any device, product or component primarily designed, produced or adapted for the purpose of enabling or facilitating the circumvention of effective technological measures [i.e. Chipping].

Section 296ZB(2) makes it an offence to provide, promote, advertise or market a service to facilitate [the above]

- (a) in the course of a business, or
- (b) otherwise than in the course of a business to such an extent as to affect prejudicially the copyright owner

Section 296ZB offences are hybrid offences for which a maximum sentence of two years' imprisonment and/or the statutory maximum fine are available by way of penalty on indictment.

Section 297 – Fraudulent reception of broadcasts e.g. Satellite television programmes.

Section 297(1) makes it an offence if a person dishonestly receives a programme included in a broadcast provided from UK with the intent to avoid payment, if any charge applicable.

Section 297(1) is a summary only offence for which the maximum penalty is a fine not exceeding level 5 on the standard scale.

Section 297A – Unauthorised decoders

S297A (1) – a person commits an offence if he –

- (a) makes, imports, distributes, sells or lets for hire or offers or exposes for sale or hire any unauthorised decoder;
- (b) has in his possession for commercial purposes any unauthorised decoder;
- (c) installs, maintains or replaces for commercial purposes any unauthorised decoder;
- (d) advertises any unauthorised decoder for sale or hire or otherwise promotes any unauthorised decoder by means of commercial communications.

Section 297(A) offences are hybrid offences for which a maximum sentence of ten years' imprisonment and/or an unlimited fine are available by way of penalty on indictment.

Video Recordings Act 2010

Repealed and revived provisions of the Video Recordings Act 1984. (Applies to all video media, including CDs and DVDs), was introduced in order to help classify and label video works.

The Video Recordings (Labelling) Regulations 2010, (applies to all video media, including labelling of CDs and DVDs) set out the requirements for labelling.

Examples are:

- Uc/U Universal - Suitable for all,
- PG Parental Guidance - General viewing, but some scenes may be unsuitable for young children.

The Act contains a number of criminal offences in Sections 9-14.

Fraud Act 2006

The act creates an offence of fraud. Additionally there are offences of making or possessing articles for use in or in connection with fraud, and making or supplying articles for use in fraud. Fraud can extend to the sale of counterfeit goods per se, particularly if sold as genuine, or sold at the same price as the genuine product. In addition the possession, use or sale of chipping or copying equipment could also give rise to offences contrary to the act.

Section 2

Fraud by false representation. This offence requires dishonesty in making a false representation, an intention to make a gain for oneself or another or an intention to cause loss to another or expose another to a risk of loss. Dishonesty is determined by the reasonable standards of honest people. The representation can be direct or implied, so a trade mark falsely applied to goods could constitute either a direct or implied representation as to the trade origin or manufacture of the goods.

Section 6

Possession of any article(s) for use in the course of or in connection with any fraud. The defendant must have the article in his possession or control for use in, or in connection with fraud [control being less than possession ie custody or access to the article if owned by someone else].

Section 7

Making or supplying articles for use in fraud. The defendant must make, adapt, supply or offer to supply any article knowing that it is designed or adapted for use in the course of or in connection with fraud, or intending it to be used to commit, or assist in the commission of, fraud. This section could extend to counterfeit goods or the manufacture or supply of chipping or copying equipment.

Section 8

Extends the meaning of "article" for the purposes of section 6 and 7 so as to include any program or data held in electronic form.

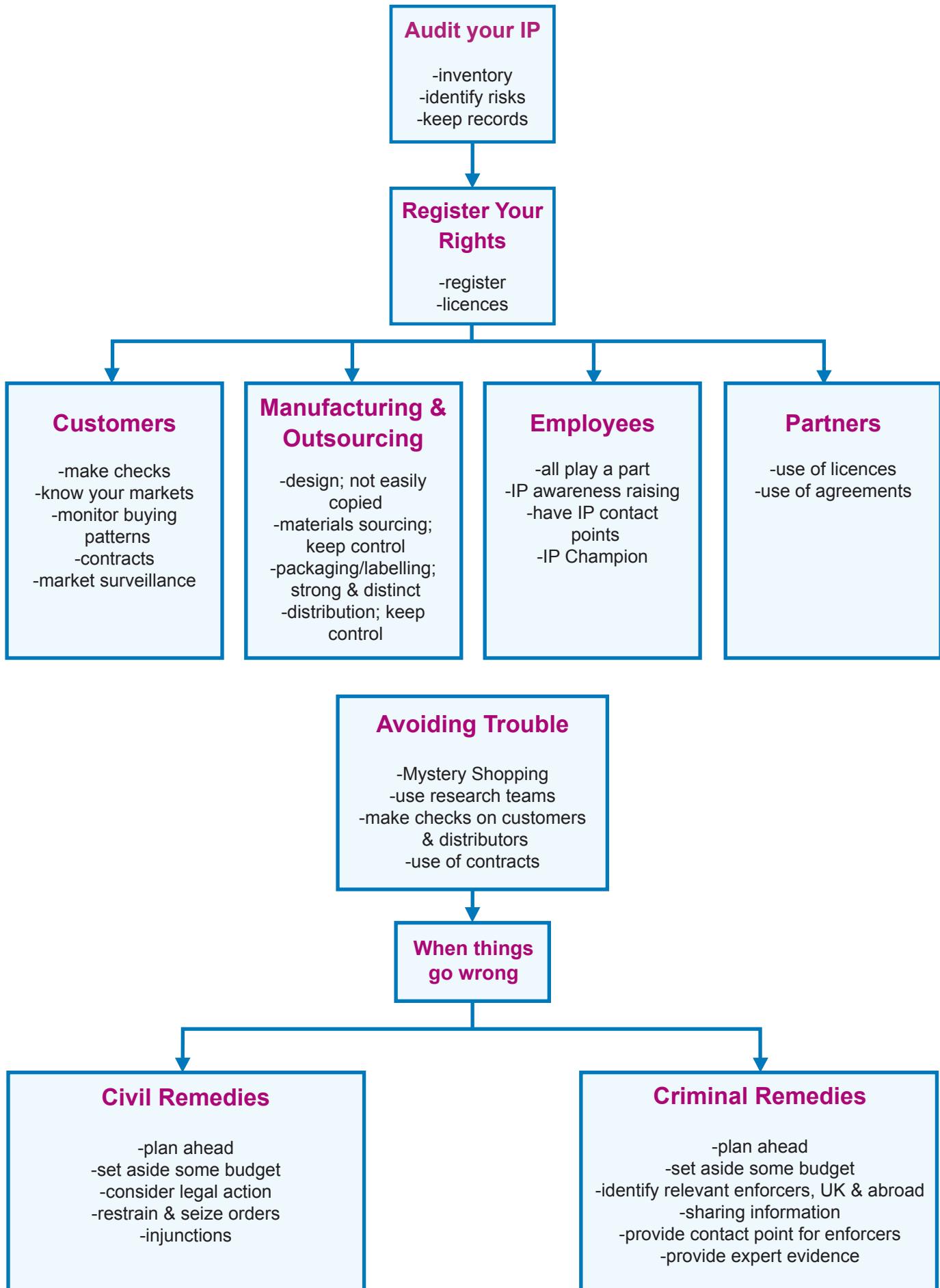
Annex B

At A Glance “A Guide To Offences”

A full list of potential offences can be seen at <http://www.ipo.gov.uk/penforce/penforce-resources/penforce-offenceguide.htm> (including offences under the Video Recordings Act 2010 and the Fraud Act 2006)

| Statute | Offence | Section | Sentence summary | Indictment |
|---|--|---------------------|---|--------------------|
| Trade Marks Act 1994 | Unauthorised use of a trade mark | 92 | 6 months &/or £5,000 | 10 years &/or fine |
| Copyright, Designs and Patents Act 1988 | Making, dealing with, or communicating infringing articles or unauthorised performance | 107(1)(a) | 6 months &/or £50,000 | 10 years &/or fine |
| | | 107(1)(b) | 6 months &/or £50,000 | 10 years &/or fine |
| | | 107(1)(c) | 3 months &/or £5,000 | n/a |
| | | 107(1)(d) (i)-(iii) | 3 months &/or £5,000 | n/a |
| | | 107(1)(d)(iv) | 6 months &/or £50,000 | 10 years &/or fine |
| | | 107(1)(e) | 6 months &/or £50,000 | 10 years &/or fine |
| | | 107(2) | 3 months &/or £5,000 | n/a |
| | | 107(2A) | 3 months &/or £50,000 | 2 years &/or fine |
| | | 107(3) | 3 months &/or £5,000 | n/a |
| | | 198(1)(a)+(b) | 6 months &/or £50,000 | 10 years &/or fine |
| | | 198(1)(c) | 6 months &/or £5,000 | n/a |
| | | 198(1)(d)(i)+(ii) | 6 months &/or £5,000 | n/a |
| | | 198(1)(d)(iii) | 6 months &/or £50,000 | 10 years &/or fine |
| | | 198(1A) | 6 months &/or £50,000 | 2 years &/or fine |
| | | 198(2) | 6 months &/or £5,000 | n/a |
| | | 296Z(B) | 3 months &/or £5,000 | 2 years &/or fine |
| | Fraudulently receiving programmes | 297 | £5,000 | n/a |
| | Unauthorised decoders | 297A | 6 months &/or £5,000 | 10 years &/or fine |
| Registered Designs Act 1949 | The intentional copying of a registered design | 35ZA(1) | England and Wales or Northern Ireland, to imprisonment for a term not exceeding six months or to a fine not exceeding the statutory maximum or to both. Scotland, to imprisonment for a term not exceeding 12 months or to a fine not exceeding the statutory maximum or to both. | 10 years &/or fine |

Protecting your Rights



Glossary

Act: a law made by Parliament (Act of Parliament).

Affidavit: written statement of fact made on oath and signed in the presence of an authorised person (e.g. a solicitor). Now called a Statement of Truth.

AstraZeneca: develops, manufactures, and sells pharmaceuticals to treat disorders in the gastrointestinal, cardiac and vascular, neurological and psychiatric, infection, respiratory, pathological inflammation and oncology areas.

Berne Convention for the Protection of Literary And Artistic Works: is an international agreement about copyright, which was first accepted in Berne, Switzerland in 1886.

Breach of the peace: whenever a person causes harm or appears likely to cause harm to persons or property, or acts in a manner, the natural consequence of which, is to provoke others to violence.

Cease and desist notice: is a legal term used primarily in the United States which essentially means “to halt” or “to end” an action (“cease”) and to refrain from doing it again in the future (“desist”).

Chain of evidence: refers to the chronological documentation, and/or paper trail, showing the seizure, custody, control, transfer, analysis, and disposition of evidence, physical or electronic.

Companies House: An executive agency of the Department for Business, Innovation and Skills (BIS) and registers all limited companies in England, Scotland and Wales under the Companies Act 1985 and the updating legislation contained in the Companies Act 1989.

Confidentiality Agreement: also known as a nondisclosure agreement or NDA. It is a legal agreement which is used where the owner of confidential information wishes to disclose information to another party(either an individual or a company) usually in the course of business negotiations, and wishes the information to remain confidential.

Copyright, Designs & Patents Act (CDPA) 1988: an act which governs UK copyright laws, created an unregistered design right and contained modifications to the law on patents and registered designs.

Consolidation: the mergers or acquisitions of many smaller companies into much larger ones.

Counterfeiting & Piracy: Counterfeiting generally relates to wilful trade mark infringement, while piracy generally relates to wilful copyright infringement.

Criminal law: typically is enforced by the government, unlike the civil law, which is enforced by private parties.

Ebay: is an American Internet company that manages eBay.com, an online auction and shopping website in which people and businesses buy and sell goods and services worldwide.

Enforcement bodies: can apply to the courts to stop traders infringing a wide range of consumer protection legislation where those infringements harm the collective interests of consumers.

European Commission: is the executive branch of the European Union. The body is responsible for proposing legislation, implementing decisions, upholding the Union's Treaties and the general day-to-day running of the Union.

EPO: European Patent Office, the executive body of the European Patent Organisation.

European Union (EU): established in 1993 it is a political and economic community of twenty-seven member states, located primarily in Europe.

Expert witness: is a witness, who by virtue of education, training, skill, or experience, is believed to have knowledge in a particular subject beyond that of the average person, sufficient that others may officially (and legally) rely upon the expert or specialised opinion.

Grey market: is the trade of something legal through unofficial, unauthorised, unintended distribution channels.

Holographic stamping: Holography is three dimensional laser photography. The Holographic is a true, three-dimensional record of the original object.

HM Revenue & Customs: ensure the correct tax is paid at the right time, whether this relates to payment of taxes received by the department or entitlement to benefits paid.

IP Infringement: unauthorised use of someone's IP and may lead to prosecution.

Justice of the Peace: a lay magistrate - person appointed to administer judicial business in a Magistrates Court. Also sits in the Crown Court with a judge or recorder to hear appeals and committals for sentence.

Knowledge Economy: refers to the use of knowledge to produce economic benefits.

MOU's (Memorandum of Understanding): a written agreement that spells out a common understanding of the working relationship between more than one party.

Office for the Harmonization in the Internal Market (OHIM): the receiving and examining Office for applications for Community Trade Marks and Design rights.

Promissory note: also referred to as a note payable in accounting, is a contract detailing the terms of a promise by one party (the maker) to pay a sum of money to the other (the payee).

Protocol to the Madrid Agreement: The Madrid Protocol enables owners of trade mark applications and registrations to extend their rights to dozens of other member countries.

Reasonable grounds: reasonable suspicion can sometimes exist without specific information or intelligence and on the basis of some level of generalisation stemming from the behaviour of a person.

Rome Convention for the Protection of Performers, Producers of Phonograms and Broadcasting Organisations: secures protection in performances of performers, phonograms of producers of phonograms and broadcasts of broadcasting organisations.

Risk analysis: identifying sources of potential harm, assessing the likelihood that harm will occur and the consequences if harm does occur.

Statement: a written account by a witness of the facts of details of a matter.

Supply chain: is the system of organisations, people, technology, activities, information and resources involved in moving a product or service from supplier to customer.

TNT Express: Worldwide Express Delivery and Courier Services.

Trade mark: a distinctive sign or identifier that can distinguish the goods and services of one trader from those of another.

Trade Related Aspects of Intellectual Property Rights (TRIPS): is an international agreement administered by the World Trade Organization (WTO) that sets down minimum standards for many forms of intellectual property (IP) regulation. It was

negotiated at the end of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1994.

United Nations Educational, Scientific & Cultural Organisation (UNESCO): promotes international co-operation among its 193 Member States and six Associate Members in the fields of education, science, culture and communication.

Universal Copyright Convention (UCC): adopted at Geneva in 1952, is one of the two principal international conventions protecting copyright; the other is the Berne Convention.

Warrant: an official authorisation, issued by a judge, enabling the police or some other body to make an arrest, search premises, etc.

WIPO: World Intellectual Property Organisation, is a specialised agency of the United Nations. It is dedicated to developing a balanced and accessible international IP system.

World Trade Organization (WTO): is an international organization designed to supervise and liberalise international trade.

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