

EMBARGOED UNTIL 17 MARCH 2022, 9.00 CET

PRESS RELEASE
17 March 2022

Dangerous fakes are increasingly sold online, new OECD-EUIPO report finds

- **Perfumes, cosmetics, clothing, toys, automotive spare parts and pharmaceuticals, among the most common dangerous fakes**
- **Substandard and counterfeit products can threaten consumers' health and, in some cases, lives**
- **Online sales represent 60 % of seizures of dangerous products destined to the EU**
- **China and Hong Kong account for 75 % of dangerous fakes seized**

Counterfeit products, by their very nature, have a wide range of negative consequences. The new report released today by the European Union Intellectual Property Office (EUIPO) and the Organisation for Economic Cooperation and Development (OECD) shows that counterfeits not only cause economic damage and job losses, but they also create serious risks for consumers. These include health risks (e.g. fake pharmaceuticals or food products), safety risks (e.g. fake automotive spare parts or batteries) and environmental risks (e.g. fake chemicals or pesticides).

The new joint report, '[Dangerous Fakes. Trade in counterfeit goods that pose health, safety and environmental risks](#)', analyses data from customs seizures and other enforcement data and looks at how dangerous counterfeits can end up in the hands of consumers.

Legitimate suppliers must comply with strict regulations to make sure their products cause no harm, or damage to, consumers. Counterfeiters do not observe any of these regulations and, consequently, fake goods can pose serious health, safety and environmental risks. The most common counterfeit products reported to carry such risks are **perfumery, cosmetics, clothing, toys, automotive spare parts and pharmaceutical products**.

The role of e-commerce

For dangerous products, destined for the EU, online sales represented 60 % of global seizures. Of these, cosmetics were the most frequently seized products (46 %), followed by clothing (18 %), toys and games (17 %) and automotive spare parts (8 %).

Most of these dangerous fakes came from **China** (55 % of global customs seizures) and **Hong Kong** (19 %), accounting for almost three quarters of seizures. Turkey accounted for 9 % of dangerous goods.



Germany (47 % of global customs seizures of the most dangerous fakes destined to the EU) was by far the leading destination of these counterfeit goods within the EU during 2017-19. It was followed by Belgium, Denmark, Italy, Spain and Austria.

In terms of distribution, **postal parcels** – driven by the increasing popularity of online shopping – are the preferred shipping method for counterfeiters. These small parcels complicate the screening and detection processes carried out by customs authorities. Overall, 60 % of the dangerous goods seized were shipped by postal services, while sea was the highest placed mode of transport in terms of seized value.

Impact of the pandemic

The COVID-19 pandemic has affected trade in dangerous fake goods and has aggravated existing trends. Criminals are taking advantage of the global crisis, and authorities reported a sharp increase in seizures of fake medicines, test kits and personal protective equipment as well as other medical products. This is also the case for some other high-risk sectors such as alcohol, where broken supply chains and shifting demand opened up new opportunities for criminals.

The Executive Director of the EUIPO, **Christian Archambeau**, said:

Illicit trade in counterfeit and pirated goods poses a major challenge to our global economy. It fuels organised crime, undermines sound public governance and threatens our NextGenerationEU recovery plan following the pandemic. Moreover, as this new report in collaboration with OECD highlights, dangerous fakes create important health, safety and environmental risks. We are confident that this evidence will help understand the risk that counterfeiting poses to our society, facilitate the development of innovative policies to respond to these challenges, and promote fair trade in the post-COVID recovery.

Types of risks

Substandard and counterfeit products can threaten consumers' health and, in some cases, lives. Particular dangers have been found in products ingested by consumers (food, drink, medicines) or put directly on skin (cosmetic, fragrances) when counterfeited.

Small parts from toys, magnetic components and especially batteries, can be swallowed and cause significant intestinal damage to children.

Some of the most frequent risks from dangerous fakes range from biological, chemical, physical injuries, strangulation, choking, burns, electric shock, fire or damage to hearing, just to mention a few.

In addition, many dangerous products pose several risks at the same time. For example, a counterfeit pesticide can be harmful to the environment and pose health risks to people, while,



something such as a fake car battery can cause serious health, safety and environmental damage.

NOTE TO EDITORS

The EUIPO, through the European Observatory on Infringements of Intellectual Property Rights, and together with the Organisation for Economic Co-operation and Development (OECD) regularly publishes studies and research on the global trade in counterfeit and pirated products.

All the reports are available on the [Observatory website](#).

ABOUT THE EUIPO

The [EUIPO](#) is one of the largest decentralised agencies of the EU, based in Alicante, Spain. Ranked as the [most innovative intellectual property office in the world](#) in 2021, the EUIPO manages the registration of the European Union trade mark (EUTM) and the registered Community design (RCD), both of which provide intellectual property protection in all EU Member States. It also carries out cooperation activities with the national and regional intellectual property offices of the EU and hosts the European Observatory on Infringements of Intellectual Property Rights.

The [European Observatory on Infringements of Intellectual Property Rights](#) was established in 2009 to support the protection and enforcement of intellectual property rights and to help combat the growing threat of intellectual property infringement in Europe. It was transferred to the EUIPO on 5 June 2012 by Regulation (EU) No 386/2012 of the European Parliament and of the Council.

More information on the [Organisation for Economic Co-operation and Development](#) (OECD).

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