

Commission Presents Toolbox against Counterfeiting



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News

On 19 March 2024, the European Commission issued its [Recommendation](#) on measures to combat counterfeiting and enhance the enforcement of intellectual property rights. The Recommendation is designed as toolbox to promote and facilitate effective cooperation between rightsholders, providers of intermediary services, and competent authorities, and seeks to promote good practice and use of appropriate tools and new technologies. It also addresses specific tools for small and medium-sized enterprises (SMEs) since they are more likely to fail than larger companies when affected by counterfeiting. The overall aim of the Recommendation is to encourage all relevant entities and bodies to take effective, appropriate, and proportionate measures to combat IP-infringing activities both in the online and offline environments. The Recommendation focuses on five key areas:

- Fostering cooperation, coordination and information sharing to protect innovation and investments;
- Advancing IP enforcement procedures;
- Adapting IP practices to AI and virtual worlds;
- Providing SMEs with tools to better protect their intangible assets;
- Fostering IP awareness, training, and education among all relevant stakeholders.

All players in the value chain are called upon to exchange information on activities that infringe intellectual property rights. Service providers in the areas of transport, logistics, payment, social media and domain names should prevent the misuse of their services. For example, the establishment of reporting mechanisms and identification systems is recommended, as is the use of technologies to recognise counterfeit goods online. The Member States' authorities should also use AI systems to combat unauthorised goods and online content. To protect against cyber-attacks, the promotion of existing tools such as training is proposed. With regard to enforcement, the promotion of alternative dispute resolution procedures is encouraged. Member States are required to ensure adequate compensation for damages and to reassess the sanctioning of intentional counterfeiting and piracy by criminal organisations and the authorisation of undercover investigation methods.

The recommendation follows up on the [2020 Intellectual Property Action Plan](#). It pools findings of a broad consultation with relevant stakeholders and experts that had been being carried out since 2021. Even though the measures proposed are not binding or interpret binding law, the Commission, together with the European Union Intellectual Property Office (EUIPO), will closely monitor the effects and implementation of the Recommendation. An assessment of its effects is planned no later than three years after the adoption. The Commission will then decide whether additional measures are needed at EU level, taking into account tech-

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Published in
2024, Vol. 19(1) [eucrim](#)
ISSN: 1862-6947
<https://eucrim.eu>



nological developments and evaluations of the EU legal framework on the enforcement of IP rights and the fight against counterfeiting.

Counterfeiting and piracy remains a pressing concern with a huge impact on the EU's economy. In 2019, nearly 6% of all EU imports were counterfeit products (almost €119 billion in value) and leading to losses of €15 billion in tax revenues and more than 670,000 jobs.

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The project is co-financed by the Union Anti-Fraud Programme (UAFP), managed by the European Anti-Fraud Office (OLAF).



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the European Union**