

Antiquated EU regulation obstacle to effective fight against counterfeit and pirated products industry, revealed EESC hearing on 6 April

The counterfeit goods industry is detrimental to jobs and growth in Europe and deprives governments of billions in tax revenues and threatens health and security of EU workers and citizens. Nevertheless, imports of fake goods have even doubled worldwide within 10 years due to digital trade. Now it is high time for Europe's legal framework to also arrive in the 21st century. The European Commission and the Member States urgently need to adapt their legal frameworks and ensure the necessary controls and market surveillance. Consumers need to be better informed, which is even a specific fundamental consumer right codified in Article 169 TFEU. Both the private and the public sectors need to cooperate in the fight against product piracy.

This was the bottom line of yesterday's hearing on "The counterfeit and pirated products industry" to which the European Economic and Social Committee (EESC) invited prominent experts from the concerned industries, as well as business and workers' associations, relevant platforms and the European Commission (EC). *"The Commission failed to come up with a robust legal framework"*, said Mr Pezzini, rapporteur of the ongoing EESC own-initiative opinion on the topic. He referred to his own experience and the never-ending struggle against counterfeiting in the Italian textile sector and high tech industry, saying that Europe cannot act further with the tools of the 20th century.

Everything can be faked. At the EESC hearing, representatives from some of the most affected industries were presented, including the leather, pharmaceutical, toy, construction and luxury sectors. These representatives reported on the challenges they have encountered in relation to counterfeiting and what they are already doing to tackle it.

Fake products cost Europeans a fortune, endangering jobs and growth

The OECD estimates the value of imported fake goods worldwide at USD 461 billion in 2013, the amount having doubled within 10 years (USD 200 billion in 2005); 5% of EU imports are fake products, amounting to EUR 85 billion. Fake clothing, footwear and accessories account for EUR 26.3 billion, which is 9.7% of the sector's turnover. The knock-on effects on supply industry revenues, however, raise this figure to approximately EUR 43.3 billion or **518 281 job losses**. Governments are deprived of around EUR 8.1 billion in tax revenues. Counterfeit handbags and luggage amount to EUR 1.6 billion or 12.7% of the sector's turnover. The leather industry is mainly based on SMEs, which do not have the capacity to tackle counterfeiting on their own. The sector has already forwarded several proposals for better regulation to the EC and, in particular, calls for as many barriers and hurdles to counterfeiting to be

implemented as possible. Furthermore, mandatory leather authenticity rules (like in the textile sector), national pre-92 labelling rules for all EU Member States, an EU regulation on the labelling of leather and leather products (which currently only exists for leather footwear) and the reversal of the burden of proof are urgently needed.

Fake products threaten Europeans' security and health

The illicit trade in the construction sector is multifaceted and includes non-conformity (misleading buyers on quality, technical performance, origin, etc.); abusive use of quality labels and market access (e.g. the EU "CE-marking"), falsified certificates of conformity and violations of intellectual property rights (IPR). False products can be found everywhere, often on the internet, at flash sells, in the big construction markets and particularly in free trade zones (e.g. in Ajman at the China Mall). The industry therefore calls for the absolute traceability of any product, as well as adequate controls, market surveillance and prosecution/sanctions.

A survey in France revealed that one sixth of businesses in the construction sector were already directly or indirectly affected by counterfeit products, with the roofing, plumbing and climate engineering sector the most affected (75%).

For a layperson, it is very difficult to distinguish between fake and genuine medical products. While enterprises have already started to tackle counterfeiting, this sector also struggles with the lack of regulation and the necessary tools enabling companies to better cooperate with authorities, for instance by reporting illegal websites. Moreover, in order to stop counterfeiters effectively, more experts and specialists are needed at custom points and by police and health authorities.

The toy industry, which has one of the most vulnerable clients, namely children, faces a loss of 12.3% of its sales to the counterfeit industry, equating to EUR 1.4 billion annually as it is also one of the most innovative industries. EUR 850 million of sales are lost in related sectors, resulting in 13 168 direct and indirect job losses. Governments' tax revenue losses are estimated at EUR 370 million.

Erosion of reputation – an invaluable loss

The French family enterprise Longchamps – with 3 000 staff members worldwide (1 800 in Europe) and an annual revenue of EUR 560 million – invests around 2.5 million or 0.5% of its annual turnover and has employed a special taskforce for the fight against counterfeiting. *"Despite these huge investments, we cannot solve the problem without the necessary legal framework"*, explained Director General Jean Cassegrin, whose grandfather founded the company in 1948. He asked the EESC for its support for modern EU legislation adapted to the internet age, stating that this should also aim to demand the accountability of intermediaries, such as digital enterprises (Alibaba, GAFA, EBay etc.), banks and credit card operators and the transport industry (DHL, UPS, etc.). Some of these companies, such as EBay and MasterCard, have already started voluntary programmes against counterfeiting.

Facebook is also usually cooperative. Through its legal department, Longchamps has managed to erase 472 Google pages and 2 835 Facebook accounts and has removed 8 626 advertisements in 2016 alone. For Longchamps and the other businesses affected, it is not only the monetary loss which is troublesome but also the fact that the fake industry has the potential to erase companies' good reputation and consumers' trust in platforms.

The findings of this hearing will feed in the above-mentioned EESC opinion which will be adopted later this spring. More on the hearing, as well as the presentations, are available on the [EESC webpage](#).

[Declaration by the High Representative on behalf of the EU on the US strike in Syria](#)

In response to the air strike that hit the town of Khan Sheikhoun in Idlib province on 4 April 2017, with many victims displaying symptoms of gas poisoning, the EU (in its Declaration 193/17 of 6 April 2017) has been unequivocal in its condemnation of the use of chemical weapon: the use of chemical weapons or chemical substances as weapons amounts to a war crime and identified perpetrators must be held accountable for this violation of international law.

The US has informed the European Union that, based on their assessment that the Syrian regime has used chemical weapons, they launched a strike on Shayrat Airfield in Syria with the understandable intention to prevent and deter the spread and use of deadly chemical weapons. The US also informed us that these strikes are limited and focused on preventing and deterring further use of chemical weapons atrocities. The EU will continue to support the efforts and work of the OPCW, in particular in Syria, including the OPCW-UN Joint Investigative Mechanism, with regard to the investigation of the use of chemical weapons. Those found responsible should be sanctioned within the framework of the United Nations.

The EU firmly believes that there can be no military solution to the conflict and is committed to the unity, sovereignty, territorial integrity and independence of the Syrian State. Only a credible political solution, as defined in UNSCR 2254 and the 2012 Geneva Communiqué will ensure peace and stability in Syria and enable a decisive defeat of Da'esh and other UN-designated terrorist groups in Syria.

The EU reiterates its support to the UN-mediated intra-Syrian talks in Geneva to reach a political solution to the Syrian conflict. This is even more urgent now, as reaffirmed by the International Conference "Supporting the future of Syria and the region" that the European Union hosted in Brussels on

4-5 April 2017.

[Statement by President Juncker on the Situation in Syria](#)

A horrific chemical weapons attack on civilians struck Khan Shaykhun on 4 April. Last night, in response, the US launched air strikes on Shayrat Airfield. The US has informed the EU that these strikes were limited and seek to deter further chemical weapons atrocities.

President **Juncker** has been unequivocal in his condemnation of the use of chemical weapons. The repeated use of such weapons must be answered. He understands efforts to deter further attacks. There is a clear distinction between air strikes on military targets and the use of chemical weapons against civilians.

Efforts to stem the spiral of violence in Syria and work towards a lasting peace should be redoubled. Only a political transition can lead to such an outcome. President Juncker and the European Commission as a whole stand ready to play their part in full.

[Press release: Jail term for Scunthorpe waste operator](#)

Yesterday, Nessa Anne Thompson, of Thompson Waste Recycling Ltd was sentenced at Hull Crown Court in relation to two charges relating to waste site operations in Scunthorpe. This followed as a result of the defendant pleading guilty to both offences.

Ms Thompson from Scotter Road, Scunthorpe was sentenced to a total of 6 months in custody. She was also disqualified from being a director for a period of 7 years.

The charges were brought by the Environment Agency contrary to section 33(1)(c) and section 157(1) of the Environmental Protection Act 1990 and one contrary to Regulation 12(1)(a) and Regulation 41(1) of the Environmental Permitting (England & Wales) Regulations 2010.

Ms Thompson operated an illegal waste operation for the company that had previously held a permit until it went into administration before

liquidation. The permit at this point was formally disclaimed.

The site at Winterton Road in Scunthorpe continued to be used and waste was stored in large quantities and in such a manner that it presented a human health and fire risk.

When the site did catch fire on 6 May 2014, firefighters attending the scene were even advised not to re-use the firewater due to the risk of waterborne diseases linked to the number of rats on site.

As a result of inadequate fire breaks at the site efforts to prevent the spread of fire was hampered, causing a greater impact to the adjacent businesses and the wider community.

Speaking after the case, an Environment Agency officer involved with the investigation said:

This site posed a risk to property, the local environment, and people's health because our advice was ignored.

This prosecution demonstrates that we take cases such as this very seriously and will not hesitate to prosecute if necessary, to protect the environment and local communities.

In mitigation, the court heard that the defendant had pleaded guilty to both offences and she was given credit for that. It also heard that her partner was in poor health and that they were both suffering from significant financial hardship.

In passing sentence, the judge said there had been a deliberate flouting of environmental regulations by the defendant. He commented that as the Technically Competent Manager for the site, she would have been well aware that there was no permit in place at the site. He found that there had been attempts to conceal the illegal activity. The judge noted that Ms Thompson has previous convictions for breaches of environmental legislation, for which she was under investigation at the time the current offences were committed. He said that this amounted to a significant aggravating feature.

-ends-

Notes to Editors

Charges

Count 1

PERMITTING THE TREATING, KEEPING OR DISPOSING OF CONTROLLED WASTE IN A MANNER LIKELY TO CAUSE POLLUTION OF THE ENVIRONMENT OR HARM TO HUMAN HEALTH contrary to Section 33(1)(c) and Section 157(1) of the Environmental Protection Act 1990

NESSA ANNE THOMPSON as director of Thompson Waste Recycling Ltd, on or before 6 May 2014 Thompson Waste Recycling Ltd Thompson Yard, Winterton Road, Scunthorpe, North Lincolnshire, DN15 0DH, did treat, keep or dispose of controlled waste in a manner likely to cause pollution to the environment or harm to human health on land at Winterton Road, Scunthorpe, DN15 0DH, namely mixed waste that was being brought onto the site, processed and stored in a manner which posed a fire risk and which did result in two fires on site, and the said offence was committed with your consent, connivance, or attributable to your neglect, as director.

Count 2

PERMITTING THE OPERATION OF A REGULATED FACILITY WITHOUT AN ENVIRONMENTAL PERMIT contrary to Regulation 12(1)(a) and Regulation 38(1)(a) and Regulation 41(1)(a) and (b) of the Environmental Permitting Regulations 2010

NESSA ANNE THOMPSON, as director of Thompson Waste Recycling Ltd, between 18 March 2014 and 13 August 2014 Thompson Waste Recycling Ltd of Thompson Yard, Winterton Road, Scunthorpe, North Lincolnshire, DN15 0DH, operated a regulated facility, which was not authorised by a permit, namely a non-exempt waste operation, on land at Winterton Road, Scunthorpe, DN15 0DH, involving the deposit and processing of waste at the site and the said offence was committed with your consent, connivance, or attributable to your neglect, as director.

[Green Party statement on US airstrikes in Syria](#)



Green Party

7 April 2017

The Green Party has responded to the US missile strike launched by Donald Trump against a Syrian air base following a suspected chemical weapons attack [1].

Jonathan Bartley, Green Party co-leader, said:

“We condemn President Assad’s barbarous and criminal use of chemical weapons

against innocent men, women and children. This is the latest in a long line of attacks against his own people and the international community has clearly failed to hold him to account. We also remain concerned about the dire humanitarian crisis in the region. However, there is no simple answer to this most complex of crises and President Trump's air strikes risk exacerbating an already complex situation in the absence of any coherent strategy to contain the violence and in the longer term, build peace. In the interim, the UK Government should immediately reconsider its inhumane treatment of the people fleeing this terrible conflict. We must allow more refugees from Syria to find safety in our country."

Caroline Lucas MP, Green Party co-leader, said:

"If our ultimate goal is to protect people – and it should be – there are other effective steps that could be taken, including stepping up soft and hard diplomacy, looking anew at sanctions, the freezing of assets and the continued flow of arms to the region. Crucially we need to send a strong signal to Assad that his actions are intolerable whilst at the same time avoid any escalation of violence that puts more civilian lives at risk. It is deeply concerning that President Trump took this action without the permission of Congress and it is now of the upmost importance that Prime Minister Theresa May calls on him to help build some kind of international consensus around what happens next. I also urge her to remember that the UK must not commit to any military involvement in Syria without a vote in Parliament, and to confirm whether or not she is talking with Russia about the role they can play in bringing this conflict to an end."

Notes:

1. <http://www.bbc.co.uk/news/world-us-canada-39523654>

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