

# PRESS RELEASE

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## **Negative Award “Plagiarius” sheds public light on shameless counterfeiters!**

*Businesses that steal from others are booming due to nominal penalties for such infractions. Gullible bargain-hunters and the Internet allow these counterfeiters multi-billions in earnings. The original producers' damages are tremendous, and consumers unknowingly take serious risks. As long as there is demand for copied products, there will be adequate supply. This is detrimental as plagiarised ideas are the opposite of progress and diversity that everyone claims!*

### **Innovation instead of imitation – A clear „No“ to theft of intellectual property**

On February 13, 2015 the negative award “Plagiarius” was bestowed at the annual “Ambiente” in Frankfurt (the world's largest consumer goods trade fair) during an international press conference. Since 1977, Aktion Plagiarius e.V. grants this anti-prize to those manufacturers and distributors whom the jury has found guilty of making or selling “the most flagrant” imitations. The goal is to denounce the counterfeiters' unscrupulous business practices who pilfer intellectual property and pass it off as their own creative achievement; and to raise public awareness of this complex problem that exists among industry, politicians and consumers. The black gnome with a *golden nose* trophy is a symbol of the exorbitant earnings product pirates collect at the cost of innovative companies. This gnome was created to express the German aphorism “*to earn oneself a golden nose*” which means earning a lot of money.

During the award ceremony, Aktion Plagiarius e.V. made it clear that “the award ‘Plagiarius’ does not say anything about whether a plagiarism is legal or illegitimate. Aktion Plagiarius cannot pass judgement. However, the registered society can call attention to the injustice that enterprises affected have to face and utter the opinion, that clumsy 1:1 imitations are unimaginative and morally objectionable and lead to stagnation”. In this context, Aktion Plagiarius emphasized “that legal ‘me-too-products’ that follow a trend, but differ sufficiently from the original product and stimulate competition, are explicitly required”.

We are pleased to see that, once again, “Plagiarius” has made a significant contribution to the public's awareness of this issue. Due to fear of public disgrace and bad publicity, some of the nominated imitators have withdrawn their remaining stock from the market, have signed cease and desist letters or revealed their suppliers.

### **Customs support enterprises and consumers in the fight against product- and brand piracy**

For enterprises, a consistent crackdown on product- and brand piracy is just as expensive as it is essential. Numerous legal, organisational and technical measures could be taken, however, especially for SME, being able to take any measures is often a monetary matter – and counterfeiters take advantage of this fact. An important strategic partner for all companies is customs. In 2013 alone, European customs officials seized almost 36 million IP infringing goods, with an estimated value of 760 million EURO at the EU borders. About 70% of those confiscations affected postal and courier packages, which can be ascribed to private online purchases. Found among the goods seized were not only clothing and sports articles, but also fake products with high danger potential: from medication with either wrong or no active ingredients to contaminated perfumes, cosmetics and foods or toys, which posed suffocation risk due to loose parts, to chainsaws and brake linings. The majority of counterfeiters focus on fast profit maximisation, i.e., they use inferior materials, deliberately omit quality- and safety controls and produce under degrading working conditions. Thus, they recklessly put factory workers' and consumers' health at risk. Customs' seizures of counterfeits are an important defence in *consumer protection*.

About 79% of products seized in 2013 had their origin in China and Hong Kong. Others among countries of origin were the United Arab Emirates, Turkey and diverse Eastern European countries. However, EU-customs statistics can only shed light on part of the problem. It is a fact that companies from industrial nations are often those responsible for ordering or importing these

imitations. As such, Western companies also profit from the sale of counterfeits. Furthermore, it is a fact that a huge number of IPR-lawsuits take place among fellow compatriots, e.g. domestic Chinese or inter-German.

### **A copy – neither compliment nor trivial offence**

Back in the 90's product- and brand piracy was stereotyped "*black and white thinking*". Unfortunately, it's no longer that simple. Today, plagiarisms and fakes are available *at all diverse price- and quality levels*, from cheap and dangerous knock-offs to high-quality imitations, that are hardly cheaper than the original product. Moreover, Asian companies are not simply the extended work bench of Western enterprises: Many of them are successful and innovate their own products. They register IP rights and also consistently prosecute infringers. In other words, emergent Chinese companies also suffer from these counterfeits. Also, we've noticed a new development: More and more Western companies who have been indignant at Asian fakes are now plagiarisers themselves! Two sources of this finding include the numerous Plagiarius prize winners from 2015 and past years and a study from 2014 from VDMA, the German Engineering Association. According to VDMA-members, about 23% of all plagiarism in the past 2 years had its origin in Germany.

### **Law and morality – the 2 sides of plagiarism**

In principal, in Germany and in many other countries, existing products can be considered as disposable common knowledge, that is, they may be copied. Everyone who wants to protect a new product from unwelcome copies, has to register intellectual property rights (trademark, design, patent, utility model, etc.) – unless copyright law or the law against unfair competition are applicable. However, copyright law and IP rights require that quite a few criteria be met; thus it is generally recommended that product creators register IPR.

With these regulations as a backdrop it is interesting to note how certain Western businesses behave: They select a competitor's successful product and purposefully check whether the product is protected by IPR. And when no such protection exists, they blatantly copy the product. Such imitations are brazen and unimaginative, but from a legal viewpoint, legitimate. In other words, many companies do not infringe a third party's IPR as it does not align with their corporate values, and perhaps they also do not want to risk court proceedings. However, they are obviously not above making clumsy 1:1 copies. Do some Western companies really set themselves such low standards to create individual and new products? Progress "made in industrial countries" is different.

### **Victim or Offender ? Many consumers and companies are both**

It cannot be overlooked that consumers should also be held accountable for the promotion of fraudulent products. Consumers who have fallen for a plagiarism as a bona fide product rightly see themselves as victims, and can complain about the vendor. However, when on vacation for example, they succumb to the temptation of buying an obvious fake brand name bag at a knocked-down price and, they downplay their purchase as a trivial offence. However, consumers should not delude themselves into thinking that the intention of the counterfeiters is to offer them cheap alternatives. The imitators act recklessly and are merely profit-orientated. As markets regulate themselves by *supply and demand*, each consumer bears considerable responsibility: Users, who deliberately purchase counterfeit products also support child labour and criminal business practices.

Seeing product- and brand piracy from different perspectives also applies to entrepreneurs as a recent case in the media shows. For years, the Chinese smartphone manufacturer JiaYu copied iPhones from Apple and distributed them under its own brand. Recently, copies of his JiaYu-smartphones appeared on AliExpress and JiaYu now complains that the inferior quality of these copies ruins its good reputation.

### **The danger of the "something-for-nothing" mentality**

If someone does not pay anything at all for a product, he or she does not necessarily know its value. Thus he or she is unable to appreciate or respect the product creator's accomplishment in creating the product. If companies want to recruit consumers as fellow campaigners in their fight against counterfeiting, they have to convince them that the perceived high price of the original product is not determined on a whim, but rather reflects the value of factually performed services and investments. The pricing picture for consumers becomes more confusing as not only copies, but also increasingly many (parts of) brand name products are being manufactured in low-wage countries; so consumers don't understand why they should pay high prices. Original and copy products are only misleadingly similar at first glance. The challenge is to point out and communicate more clearly the differences in quality and the added value of brand name products. The fact remains that the process from a first

innovative idea to a market-ready product is often very time consuming and costly. Moreover, it's not uncommon for manufacturers to make advance capital investments for months or even years.

### **Time, know-how, creativity, lifeblood and risk-taking inherent to the original product**

Product development is a dynamic process. In interdisciplinary teams (design, engineering, prototype construction, quality management, marketing etc.), each employee contributes his or her experience and specific know-how: from an unerring instinct for markets and trends to the ability of visual thinking, including knowledge about ergonomics, technological avenues of approach, different material properties, intuitive user interface design etc. In fact, the individual steps in product development do not take place one after the other but in a permanent exchange of all parties involved. Together, they examine existing products, are looking for inspiration, thinking beyond limits, gathering ideas and in the end, evaluating everything in relation to economic feasibility. Design is far more than mere product cosmetics. It is the interface between product and human, that visualises the quality of a product and makes technology comprehensible for everyone.

### **Museum Plagiarus – Original vs. Plagiarism**

The Museum Plagiarus in Solingen (Germany) shows more than 350 product units, i.e. originals of all sectors and their brazen plagiarisms in direct comparison. In guided tours, seminars and consumer events both, industry and consumers are getting a 'first-hand-view' of the problem and receive information about the sweeping extent of the damages and dangers incurred by fakes. The collection is complemented by counterfeits seized by customs.

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The **award ceremony of "Plagiarus 2015"** took place during the Consumer Goods Trade Fair "Ambiente" at the Congress Center of Frankfurt Fair in Room "Illusion 1-3" on Friday, **February 13, 2015, 1:00 p.m.**

The **'laudatory speech'** on the prize winners was made by **Sabine Asgodom**, Management-Trainer, Bestseller-Authoress, professional speaker.

The Plagiarus prize winners 2014 and 2015 will be presented at the **Special Show "Plagiarus"** from February 13-17, 2015 at the **Foyer 5.1. / 6.1.** After the Ambiente the prize winners 2015 will be presented in the Museum Plagiarus in Solingen. (Bahnhofstr. 11, 42651 Solingen, Germany).

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## **The Prize winners of the Plagiarus-Competition 2015:**

The jury met on January 17, 2015. Three main prizes, one special prize and seven distinctions (equal in rank) were awarded; total entities: 41.

### **1. Prize**

#### **Hot Air Tools "HL 1610 S" and "HG 2310 LCD"**

Originals: STEINEL Vertrieb GmbH, Herzebrock-Clarholz, Germany

Falsifications: *Distribution:* Shenzhen Jin Xiong of internal and external electronic tools Co., Ltd., Shenzhen, PR China

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### **2. Prize**

#### **Caster "movetto 8"**

Original: Gross + Froelich GmbH & Co. KG, Weil der Stadt, Germany

Plagiarism: Wagner System GmbH, Lahr, Germany

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### **3. Prize**

#### **Emergency Ventilators "MEDUMAT Easy" and "MEDUMAT Transport"**

Originals: WEINMANN Emergency Medical Technology GmbH + Co. KG, Hamburg, Germany

Plagiarisms: Ambulanc (Shenzhen) Tech Co., Ltd., Shenzhen, PR China

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## Seven “Distinctions“ (equal in rank) were awarded:

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### Perfumes “Jean Paul Gaultier *Classique*“ and “Jean Paul Gaultier *Le Male*“

Originals: Beaute Prestige International GmbH, Duesseldorf (Germany) /  
Beaute Prestige International S.A., Paris (France)

Falsifications: *Distribution*: Carry Forward Import and Export Co., Ltd., Shenzhen, PR China  
*Country of Destination*: Spain

In 11/2014 the fakes were seized by customs in Hamburg/Germany, and withdrawn from circulation.  
In total, the shipment contained 28,500 fake perfumes of diverse renowned brand name producers.

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### Upholstery System “Conseta“

Original: COR Sitzmöbel Helmut Lübke GmbH + Co. KG, Rheda-Wiedenbrück, Germany

Plagiarism: Christmann GmbH, Langenberg, Germany

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### Spiral Slicer “SPIRELLI“

Original: GEFU Küchenboss GmbH & Co. KG, Eslohe, Germany

Plagiarisms: 1) Brieftons, Oregon, U.S.A.  
2) Tiptop Manufactory Ltd., Hong Kong, PR China  
3) Ningbo Best Solution Plastic Industry Co., Ltd., Zhejiang, PR China

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### Cheese Grater “Kasimir“ and Plastic Knife “Coco“

Originals: koziol »ideas for friends GmbH, Erbach, Germany

Plagiarisms: *Import*: Zabriskie Studio, S.L., Barcelona, Spain  
*Distribution*: Natura Selection, S.L., Barcelona, Spain  
*Manufacture*: PR China

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### Vegetable Cutters “swizzzProzzz sP10 and sP20“

Originals: swizzzProzzz AG, Beckenried, Switzerland

Falsification sP20: *Distribution*: TVİ Bilgi Teknolojileri San. ve Tic. Ltd. Şti., Istanbul, Turkey  
(via SehriKeyif.com)

Plagiarism sP10: Celltone Home Appliances, Mumbai, India

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### Porcelain-Angels “Lyra“ / “Triangle“ / “sitting“ / “blowing“ / “Cymbals“ / “Bell“

Originals: WUNASIA Handelsgesellschaft mbH, Wunsiedel, Germany

Plagiarisms: Rosenthal GmbH, Selb, Germany

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### LED-Torch “LED LENSER P7.2“

Original: Zweibrüder Optoelectronics GmbH & Co. KG, Solingen, Germany

Falsification: *Distribution*: Sang Sang Tech Co., Ltd., Hong Kong, PR China

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## The following Special Prize was awarded:

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### Special Award „Oscarius“

#### Simpleshow explainer videos for Audi and ManpowerGroup

Originals: simpleshow GmbH, Stuttgart/Berlin, Germany

Plagiarisms: Telling Your Story Visually, Chennai, India

TYSV, Telling Your Story Visually, downloaded the original-simpleshow-explainer videos from the simpleshow website; then TYSV only removed the simpleshow-logo in the last scene and replaced it by its own TYSV-logo. In TYSV-mailings the videos were quoted as references and linked, to showcase their capabilities.

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## The Jury of the Plagiarius-Competition 2015:

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Each year the jury is put together individually with specialists from diverse sectors. The following persons formed this years' jury:

**Dr. rer. oec. Dorothee Becker**

Managing Director Finance Gebr. Becker GmbH, Wuppertal, Germany

**Ulrich Becker**

Chief Editor Südwest Presse, Ulm, Germany

**Willo Blome**

Managing Director blomus GmbH, Sundern, Germany

**Dr.-Ing. Karl Peter Born**

Managing Director Franz Güde GmbH, Solingen, Germany

**Stefan Eckstein**

Eckstein Design, Munich / President VDID e.V. Association of German Industrial Designers Berlin, Germany

**Marita Ruess**

Authoress, Neu-Ulm, Germany

**Johannes Schmalzl**

Regierungspräsident, Regierungspräsidium Stuttgart, Germany

**Dr. Dagmar Zißler-Gürtler**

Sinologin, Fokus China Training & Consulting, Köngen/Stuttgart, Germany

**Legal Advice:**

**Dr. Alik Busse**

Certified IP-Lawyer, Lawfirm Busse & Partner, Munich, Germany

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## Imprint

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Aktion Plagiarius e.V.  
Prof. Rido Busse / Christine Lacroix  
Nersinger Straße 18  
D-89275 Elchingen, Germany

Tel: + 49 (0)7308 – 922 422  
Fax: +49 (0)7308 – 922 423  
info@plagiarius.com  
[www.plagiarius.com](http://www.plagiarius.com)  
[www.facebook.com/museumplagiarius](https://www.facebook.com/museumplagiarius)

**Enclosure: CD-Rom: Press Release, Photos of Prize winners, simpleshow-video**

**Download: [www.plagiarius.com](http://www.plagiarius.com) (“Press” and “Competition”)**

**Reprint: free, please send a copy // Blocking Period: February 13, 2015, 1:00 p.m.**