

PRESS RELEASE

Blocking Period: Friday, 03 February 2023, 12:30 h (noon)



Negative award "Plagiarius": Counterfeits are a serious threat to the economy and consumers -Containment by raising awareness in schools and cracking down on counterfeiters-

Global and digital is the distribution, professional and criminal are the structures behind it - product and brand piracy is a lucrative business worth billions, also for organised crime. Those who deliberately buy counterfeits support the devastating structures: Plagiarism and counterfeits are often produced under inhumane working conditions and cause damage to innovative manufacturers and the authorised trade, in some cases threatening their existence. The majority of cheap copies pose serious health, safety and environmental risks. All the more worrying is the trend that more and more influencers on TikTok & Co. explicitly promote counterfeit designer goods, play down the purchase of illegal products and position fakes as socially acceptable. In the interest of society as a whole, the importance of and respect for the intellectual property of others should be part of every school curriculum.

Plagiarius: Against brazen theft of ideas - For innovation and fair competition

On 3 February 2023, Aktion Plagiarius awarded its dreaded negative prize "Plagiarius" for the 47th time to manufacturers and traders of particularly brazen plagiarisms and counterfeits. The award ceremony took place during a press conference at the Frankfurt consumer goods fair "Ambiente". The "Plagiarius" award says nothing about whether the counterfeit product is legally permitted or illegal. The aim of the Plagiarius campaign is rather to raise public awareness of the unscrupulous business methods of product and brand pirates and to sensitise industry, politics and consumers to the problem. Before the annually changing jury selects the winners, the alleged plagiarists are informed about their nomination and given the opportunity to comment. The jury's aim is not to stigmatise legal competitive products, but to take a critical look at clumsy 1:1 imitations that deliberately look confusingly similar to the original product and show no creative or constructive contribution of their own. Fortunately, again, one of the imitators sought an agreement with the original manufacturer and took the remaining copies off the market. The trophy of the negative award is a black dwarf with a golden nose. The latter symbolises the immense profits that unimaginative imitators literally earn at the expense of creatives and innovative companies.

Consumer clout: Without demand, no business, no success and no incentive for counterfeiters

In the EU alone, according to EUIPO and the European Commission, some 86 million counterfeit goods were seized in 2021, an increase of almost 31% compared to 2020. And these are only the proven seizures, i.e. the tip of the iceberg. The EUIPO and OECD put the international trade in counterfeits at an alarming €412 billion in 2019, equivalent to 2.5% of world trade.

The greater the demand, the greater the success of the counterfeiters. Buyers and purchasers therefore have the power, but also the social responsibility, to deprive counterfeiters of their business basis. And this is in their own best interest. Although counterfeit goods are available in all price and quality gradations, most of them are only deceptively similar to the original at first glance. The fact that an identical appearance does not automatically mean the same quality, performance and safety is proven by many products that Customs and Interpol have already withdrawn from circulation: Contaminated perfumes and cosmetics, technical products with defective electronics, children's toys that are defective or full of harmful substances, medicines that have been dosed incorrectly or not at all, and many more. The German Engineering Federation also confirms that counterfeits often pose a danger to the operators of machinery and equipment or a risk to the safe operation of the equipment.

Innovations are not created by "copy-paste" - Deserved appreciation for creative achievements

Future-oriented ideas are the most important capital for growth. But they cannot be taken for granted. This makes it all the more fundamental to promote and protect creative ideas and know-how, and to recognise the outstanding importance of intellectual property for securing jobs, prosperity and competitiveness.

The process from an initial idea through design, engineering, certification and prototyping to market readiness is demanding and costly. Design and engineering services, for example, require complex expertise as well as a feel for markets, trends, sustainable production and economic feasibility. In addition, the developers regularly have to make financial contributions in advance. This entrepreneurial risk must be worthwhile. However, this does not work when unscrupulous free riders successfully copy products established on the market 1:1, unabashedly pass them off as their own performance, offer them at a supposedly lower price and thus unjustifiably siphon off market shares and profits from the original manufacturer. The economic damage is only part of the problem. Added to this are the loss of brand credibility and the costs of combating unfair imitations and winning back customers. The negative effects are not only felt by the original manufacturers: In order to maximise profits, counterfeiters often use the cheapest materials and disregard quality controls and social standards in the counterfeiting factories.

Responsibility of the trade: Large product range does not exempt from inspection obligations

Anyone who wants to sell products must ensure that they comply with the health, safety and environmental standards applicable in the sales area and that the products are free of third-party rights with regard to brand, design, patent or copyright. Even an extensive, frequently changing product range does not exempt those responsible for purchasing from these inspection obligations. A careful selection and evaluation of suppliers as well as regular quality and safety checks are indispensable. Discounters and large retail chains in particular often lure customers in a "Robin Hood" manner with promises à la "beautiful design, affordable for everyone". There is nothing wrong with that, as long as it is an own / individual design and the argument "affordable" is not at the expense of creative designers and quality. A fair win-win situation would be, for example, a licence agreement or a commission for the designer. This is a question of responsibility and respect towards competitors and clients.

Generation Z: Between Climate Rescue, Ultra Fast Fashion and (Fake) Luxury Clothing

With astonishing taken-for-grantedness, young consumers are demanding attractive new products at ever shorter intervals - available 24/7 and, if possible, at almost zero cost. Originality, provenance and quality do not play the biggest role for everyone.

More than one in three young Europeans (37%) between the ages of 15 and 24 have deliberately bought counterfeits, according to the "Youth Scoreboard 2022 on Intellectual Property". According to the European Intellectual Property Office (EUIPO), this corresponds to more than a doubling in the last 3 years. Counterfeit clothing, shoes, accessories and electronics are particularly in demand. The main arguments are the low price and the high availability. The EUIPO describes the significantly increased social acceptance of counterfeit products as well as an indifference towards the problem as worrying. One reason for this is the increasing success of so-called "dupe influencers".

Dupe Influencers "legitimise" the purchase of counterfeits on social media

"Dupe influencers show fake designer and luxury products in videos on Instagram, YouTube and TikTok and recommend them to their young, easily influenced followers. As supposed "role models", they thus change their perception of counterfeits. Self-aggrandising, they legitimise the sale of infringing items and play down the purchase of such items as cool and acceptable. With their behaviour, they not only promote a questionable culture of "more illusion than reality", but above all a culture of disrespect towards brands and the development performance behind quality products.

Educating responsible digital citizens

In light of these developments, Aktion Plagiarius welcomes a recent initiative by EUIPO to make intellectual property more tangible for students through easy-to-understand educational materials. The aim is to educate young people to become responsible digital citizens who develop respect for their own ideas and the ideas of others. Intellectual property includes any intellectual achievement presented in a unique new work - be it fashion, a product design, a technical solution, art or a cultural piece - they all deserve protection and recognition.

Digital trademark infringement requires digital protection strategies

According to Europol, counterfeit products are increasingly promoted and distributed via e-commerce platforms, social media and instant messaging services. And the manifestations of digital brand infringement are becoming increasingly diverse: from classic plagiarism, counterfeiting and copyright infringement to domain theft and brand abuse (e.g. Fake AdWords) to complete identity theft and fake shops. With a lot of criminal energy, the reputation and know-how of renowned manufacturers are exploited and their brands and credibility weakened.

For companies, this means that it is no longer enough to simply register industrial property rights in all relevant markets. Digital trademark infringements require digital protection strategies. These include a well thought-out domain portfolio, AI-supported online monitoring to detect and eliminate infringing offers, and the use of verification seals for authorised online traders. Measures that are necessary and worthwhile, but whose money could flow into the development of new products if all parties involved behaved fairly in the market.

High profit - low risk: crackdown needed to deter and contain

To minimise the risks of prosecution and maximise their profits, professional counterfeiting rings diversify their fields of activity and use existing structures from human trafficking, drug trafficking and arms dealing. Legislators must ensure that these structures are dismantled and that the counterfeiters are deprived of their illegal, highly lucrative profits. This is the only way to prevent money laundering. At the same time, the operators of e-commerce platforms must be held more accountable. A first step in this direction is the Digital Service Act.

Equal rights for all - obligations that apply *offline* must also be binding *online*

In order to define uniform and binding rules for the internet, the EU passed the Digital Service Act (DSA) in 2022. Among other things, it provides for consumers to be reliably protected from illegal content and counterfeit products and for brand owners to be able to better defend their intellectual property. When transposing the law into national law, clear rules for the enforcement of rights must now be established. In the end, what matters is a strong and consistent application in practice.

In this context, this year's **laudator**, the Hessian State Secretary for European Affairs, **Uwe Becker**, also calls for: "With the change in trade channels from the analogue to the digital world, the trade in counterfeits via electronic sales platforms has experienced an additional upswing. The economic damage is enormous. For this reason, the protection of intellectual property and the fight against product and brand piracy must be pursued with even greater commitment and adapted to the new business models of the plagiarism of ideas. The Plagiarius is a special way of drawing attention to this threat to business and consumers. Therefore, this negative award is also a call to action.

Plagiarius Prize Winners 2023 from February 10 in the Museum Plagiarius in Solingen

In its unique exhibition, the Museum Plagiarius shows more than 350 Plagiarius award winners from a wide range of industries - in each case the original and the plagiarism in direct comparison.

The Award Winners 2023 of the Negative Award "Plagiarius"

The jury met on January 06 + 07, 2023 and awarded three main prizes and three special awards that are equal in rank.

1. Prize

Modular wall shelf system "LINK"

Original: Studio Hausen / Jörg Höltje, Hamburg, Germany

Plagiarism: Distribution: German Furniture-chain-store (EU-wide acting)

Same same but different: design, concept and proportions are copied 1:1 - but the differences in quality are great and cannot be glossed over. The original convinces with high-quality workmanship and is made of FSC-certified solid wood from sustainable forestry. The plagiarism uses tropical mango wood of low quality, the cheap hangers are warped. - The furniture retailer showed himself to be reasonable, stopped the sale, destroyed remaining stocks and gave sales figures. - "Beautiful design, affordable for everyone", that's what many trading companies lure with. Acceptable, as long as it is their own / individual design and "affordable" is not at the expense of creative designers and quality. A large product range does not release those responsible for purchasing from their duty to check their suppliers and the goods they sell. It's all a question of responsibility and appreciation.

2. Prize

Glass „CLUB NO. 6 Superglas 300ml”

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

Plagiarisms: METPLAS A.S. / „Rubikap“ Plastic Tableware, Istanbul, Turkey

Crystal vs. plastic look: The special feature of the "CLUB SUPERGLAS" series: a high-tech material that combines the properties of glass - such as transparency, brilliance and light refraction - with the advantages of plastic - such as unbreakability, insulating properties, lightness and individual colouring. 100% recyclable, 100% Made in Germany, the high-quality koziol Superglasses were designed for professional use in the catering and hotel industry. In the plagiarism, the shape, concept and exclusive facet design were adopted almost 1:1. However, a direct comparison reveals a simpler quality of workmanship, a lower stability and the matt appearance typical of plastic. Koziol has protected its design in the EU. Misleadingly, the imitator advertises with the reference "patented".

3. Prize

Mercedes-Benz Vehicle-Diagnosis „XENTRY Diagnosis“ (for OBD – On-Board-Diagnosis)

Original: Mercedes-Benz Group AG, Stuttgart, Germany

Counterfeit: Distribution: OBD Diagnostic Tools, Fellbach (*Stuttgart Region*), Germany

Vehicle diagnostic systems (OBD) are used for repair and maintenance. The so-called multiplexer "SDconnect" serves as the interface between the vehicle OBD socket and the diagnostic computer. The counterfeit was advertised on a website and eBay. The Stuttgart Regional Court issued a civil conviction for infringement of the "MERCEDES-BENZ" trademark, the "Mercedes star" and the "XENTRY" trademark protected for diagnostic software; criminal proceedings were also opened. – Counterfeit vehicle diagnostic systems can not only be misused, e.g. to deactivate seat belt warnings or the maximum speed limit, but usually use outdated software without (safety) updates. Repairs and maintenance are then not carried out using the latest technology and do not offer the highest level of safety. Errors may not be detected and safety problems are possible.

Three Special Awards (equal in rank) were awarded

Special Award "Identity Theft"

Original-Websites: www.wika.com / www.wika.cn - Fake-Website: www.wika-wika.cn

Original: WIKA Alexander Wiegand SE & Co. KG, Klingenberg, Germany

Counterfeit: Chu Chaofeng, Shanghai, PR China (Domain-Owner of www.wika-wika.cn)

"*WIKA China Website*" is the copyright notice on wika-wika.cn. But there's a catch: this is *not* WIKA's Chinese website. Counterfeiting a product is brazen - stealing the entire *identity* of a renowned manufacturer, including photos, texts and history, is unscrupulous. A lot of criminal energy goes into it: Trademark and copyright infringements, the deliberate deception of website users - and WIKA's good reputation is shamelessly exploited for their own purposes. In addition to misleading advertising with other people's brands and the sale of counterfeits via eCommerce platforms, identity theft is also on the rise. Yet, pressure measuring devices are safety-relevant products - precision and reliability are crucial. The dangerously inferior quality of the counterfeits is all the more alarming. WIKA protects its intellectual property worldwide and takes decisive action against counterfeiters.

Special Award “Laziest Series Offender”

Products of the D30 LPS series (excerpt) and diverse components (brackets, connectors, etc.)

(Application: operating equipment, machines, plants)

Originals: item Industrietechnik GmbH, Solingen, Germany

Plagiarisms: Fath GmbH, Spalt, Germany

"Inspiration" misunderstood. Even with technical products, there is scope for design. As one of the market leaders in modular system kits for industrial applications, item has undoubtedly set various market standards that others follow. While item and many of its competitors inspire each other and have all developed their own design language and typical individual design features, the FATH range has for years included numerous products that look confusingly similar to item products. A further development, individual expression or even the mentioned innovation? Not recognisable. No amount of marketing can sugarcoat mass-produced imitations that are devoid of creativity.

Special Award “Counterfeit”

SD-Card „Volkswagen Navigation AS (V16)“

Original: Volkswagen AG, Wolfsburg, Germany

Counterfeit: ITPROCARS Sp. z o.o., Gdansk, Poland – Distribution via its eBay-Shop

Upside-down world: First the fake, then the original ! Already 3 months before the release date of the Volkswagen navigation SD card in version V16, ITPROCARS has been selling fake SD cards online - almost at half the price. Via its eBay shop with top ratings (99.8% positive), the company supplies an SD card with a fake V16 sticker in a cover that is based on the original, but also fake, using the trademarks "Volkswagen" and "VW in a circle". The supplier admitted the trademark infringements, but refused to issue a cease-and-desist declaration with a penalty clause. Brazen, but to no avail: the Polish counterfeiter offers Volkswagen a payment of 2,000 euros in exchange for discontinuing legal action. Further legal steps are planned. The counterfeit VW SD cards are no longer offered - but fakes of other well-known car manufacturers continue to be offered.

The Jury of the Plagiarius-Competition 2023:

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

Susanna Heurung, IP Lawyer / Partner Maiwald GmbH Intellectual Property, Munich, Germany

Gernot Imgart, Managing Director of the District Chamber Göppingen of the CCI Chamber of Commerce and Industry Stuttgart Region, Germany

Ingrid May-Staudinger, Entrepreneur and self-employed representative of the German Association for Small and Medium-sized Businesses for the economic region Tübingen-Reutlingen, Germany

Ulrich Schaub, Head of Vision Solutions / Business Owner Solution, ADC Automotive Distance Control Systems GmbH, Ulm, Germany

Legal Advice:

Dr. Alik Busse, Certified IP-Lawyer / Partner, Maiwald GmbH Intellectual Property, Munich, Germany

The **award ceremony of "Plagiarius 2023"** took place during the Consumer Goods Trade Fair "Ambiente" at the Frankfurt Fair on Friday, **03 February, 2023, 11:30 a.m.**

The **'laudatory speech'** on the prize winners was made by **Uwe Becker**, State Secretary for European Affairs of the State of Hessen.

The Plagiarius prize winners will be presented at the **Special Show "Plagiarius"** from February 03-07, 2023 at **Foyer 11.0, Portalhaus**, Frankfurt Trade Fair.

The prize winners 2023 will be presented in the Museum Plagiarius from February 10, 2023.

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www.plagiarius.com:

- Press Release ("**Press**")
- Press Photos ("**Competition**")



Zip-file with all data:

www.plagiarius.de/preistraeger-2023

Content (ZIP-File) - each German and English

- Press Release 2023
- Photos of the prize winners 2023
- Captions for Press Photos 2023
- Photo: Plagiarius Trophy

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All photos show: **Left or above:** Original(s)
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Reprint: free // **Blocking Period: February 03, 2023, 12:30 h (noon)**

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