



FIGHTING THE FAKES
**COMBATING ILLICIT TRADE
AND COUNTERFEIT**
CRIME

*A Step-by-Step Guide to Build an
Effective Brand Protection Strategy*

ASEC WEBINAR SERIES 3.0

POST-WEBINAR REPORT

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About The *Speakers*

Prithipal Singh is a Senior Director at Shah Eigen LLC. He specialises in Intellectual Property (IP) Law. With more than 34 years of legal practice experience, he is a prominent expert in Singapore trade mark law and a highly renowned and respected figure at the Bar.

Prithipal has served on several IP Committees, including the Enforcement Committee of the International Trademark Association (INTA), the Anti-Counterfeiting Committee of the INTA and the Law Society's IP Committee. He is also an active member of the Asian Patent Attorneys Association (APAA) and has previously held the position of Treasurer for the APAA (Singapore) and Editor of the APAA IP Digest.



Prithipal Singh
Senior Director
Shah Eigen LLC

Ramesh Raj, Kishore
Regional Director,
Asia Pacific
Pharmaceutical Security
Institute (PSI)



Ramesh Raj is currently The Pharmaceutical Security Institute's Regional Director (Asia Pacific) where he carries out capacity building and training for law enforcement agencies in the region in the areas of pharmaceutical crime, whilst working towards building and improving government relationship with the pharmaceutical industry.

Mr. Raj has a distinguished career with the Health Sciences Authority (HSA), Singapore. In August 2016, he was the Head of the Enforcement Operations Unit overseeing field enforcement activities, surveillance, seizure management and coordinated efforts with other law enforcement agencies (LEAs).

His accomplishments included several successfully prosecuted landmark cases involving rouge medical practitioners and counterfeit medical devices. His working relationship with international organizations is excellent and dates to 2011 when he was a co-trainer for Interpol and has presented on the challenges of pharmaceutical crime to law enforcement agencies in the Asia Pacific Region for several years.

Jerome Pichot is the Business Development Director for Brand Protection in Europe and Asia at De La Rue. Jerome Pichot joined De La Rue in 2016 as Head of Product Marketing for Authentication and Traceability with a focus to develop a product Roadmap for Brand and Government security solutions; he has been actively participating to develop a Digital tax stamp scheme for De La Rue and, he was appointed in his current role earlier this year to boost Brand protection sales.

Over the last 25 years, Jerome has developed his expertise in B2B with various technical industries, working for companies like Legrand electrical component manufacturer, Mittal Steel industry and Arjowiggins for specialty and banknote papers where he first started in security business in 2000 based in Latin America. He has notably occupied several business management responsibilities in the luxury packaging business where Brand protection is a key factor.



Jerome Pichot
Business Development
Director, Brand
protection, Europe/Asia
De La Rue

Introduction

The term counterfeiting of goods implies a series of actions aimed at producing goods which violate Intellectual Property Rights (IPRs) and supplying them to a conscious or unconscious consumer. The IPR concept, as specified by the World Trade Organization (WTO) under the 1994 Agreement on Trade Related Aspects of IPRs (TRIPS), includes both counterfeiting of trademark goods (goods bearing, without authorization, a trademark which is identical or very similar to the original), and of pirated copyright goods (copies made without consent, e.g. pirated CDs).

Economic motivation is the driver of counterfeiting while profits are usually the result of amounts saved for not bearing the following costs:

- A) Expenses for research and development activities because the good copied by the counterfeiter already incorporates the R&D content of the original one.*
- B) Advertising expenses, because the counterfeiter exploits the advertising campaigns of the original brands, which often present well-known brand names.*
- C) Production costs, since usually the quality of raw materials of counterfeited goods is lower than that of original items.*
- D) Labour costs, since usually counterfeit exploits illegal workers*
- E) Taxes, since no duties are paid as counterfeiting is an illegal activity.*

Companies, as well as enforcement agencies, are becoming increasingly aware of the problems of counterfeiting. All companies need to make sure that their trademarks are adequately protected and to implement anti-counterfeiting policies to deal with the menace. A number of technologies, such as holograms, smart cards, biometric markers and inks, can be employed to protect and authenticate genuine products. These devices vary considerably in the degree of sophistication and cost. However, in order to be implemented the technology must be cost-effective, compatible with the product and distribution chain, resistant and durable.

The lack of information sharing is often perceived to be one of the main obstacles in the fight against counterfeiters. The World Customs Organisation (WCO) and Interpol now react proactively. They employ databases on counterfeits and conduct training for officials in partnership with private industry.

A number of policy initiatives exist at both the private and the official level. Countries with a strong representation of trademark owners have established anti-counterfeiting associations. These are membership organisations, whose main activities include promoting adequate IPR protection, information gathering and liaison with enforcement agencies.


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The amount of counterfeit goods traded annually is greater than the GDP of 150 of the world's countries.

An International Chamber of Commerce report estimates the total value of counterfeit and pirated goods globally could be as high as \$1.77 Trillion. To put that number into perspective, that value is roughly equal to the annual nominal GDP of Canada – the 11th biggest economy in the world!

International Chamber of Commerce, . 2017. Global impacts of counterfeiting and piracy to reach US\$4.2 trillion by 2022

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Fighting Counterfeiting: Importance of Intellectual Property Rights

Intellectual property rights play an important role in our economy: they encourage creativity and research and allow companies to reinforce their competitive position in the global economy. Counterfeit goods and piracy, however, pose a serious threat to this reality.

More and more organisations (often criminal) make huge profits via counterfeit designs and signs which are protected by intellectual property rights and/or by trading these counterfeit goods. Counterfeiting and piracy are concepts which are generally used to indicate a violation of intellectual property rights. This means that certain acts are carried out without the consent of the intellectual property right holder.

Some examples of intellectual property right violations are the fabrication or selling of illegally manufactured counterfeit versions of products protected by a trademark (sunglasses, clothing, sports goods, etc.), pharmaceutical products, designer furniture, seeds, software, DVD players, music players and films and other protected works.

In principle, any product sold today is a potential victim of counterfeiting. Counterfeits are not limited to luxury products. Even toothpaste and shampoo as well as washing powders and dishwashing products are counterfeited on a commercial scale.

To best protect your intellectual property assets, it is essential to understand the various pieces that make up your IP portfolio. Generally, a company's IP consists of trademarks, copyrights, patents, and trade secrets owned or used by the company in its business.

Trademark

Trademarks generally consist of a word, phrase, symbol, or design, or a combination thereof, that identify and distinguish the source of the goods of one party from the goods of another. A service mark is accorded the same legal status as a trademark under U.S. law, except that a service mark identifies and distinguishes the source of a service rather than a product.

Copyrights

Copyright protects original literary and artistic expression that is fixed in a tangible form. It exists automatically when an original work entitled to copyright protection is created. Under basic copyright law, a work is "created" when it is fixed in a tangible medium of expression for the first time.



Patents and utility

Patent and utility models, which mainly protect new technology-based inventions, i.e. products or processes that provide new ways of doing something or that offer new technical solutions to problems. Patents stimulate innovation by assuring inventors that qualifying inventions will not be used or sold legally without their permission, thereby enabling them (potentially) to recoup their investments and profit from them. Patents can also facilitate financing for start-ups by signalling that a firm has valuable assets. To obtain a patent, one must disclose the technical knowledge behind the invention, and patents eventually expire (generally 20 years after the filing date). Patents can enable further technological developments through the information they disclose. They also provide the security that can be necessary for licensing inventions.

Design rights


Design Rights, which protect new and/or original ornamental or aesthetic aspects of articles rather than their technical features. Designs render objects more appealing to consumers and increase their marketability or commercial value. By providing a measure of protection against unlicensed imitations, design rights promote investments in proprietary designs that create value for both consumers and businesses. Registered designs are generally valid for up to 15 years, but in some jurisdictions they are renewable up to a maximum of 25 years.

Trade secrets

Trade Secrets, which encompass confidential business and technical information and know-how that a firm makes reasonable efforts to keep secret and that has economic value as a result.⁶ Trade secrets do not have a fixed duration and can potentially last indefinitely. By offering a measure of protection for valuable information and relieving businesses of the need to invest in more costly security measures, some trade secret laws may encourage businesses to invest in the development of such information. Other trade secret laws focus solely on the prevention of misappropriation of trade secrets. Trade secret laws may also encourage businesses to engage in wider, though limited, dissemination of information than they otherwise would, such as by sharing sensitive information (subject to confidentiality agreements) with business partners. In that manner, trade secret laws can increase the likelihood of knowledge spill-overs.

Geographical indications

Geographical indications, which are signs used on goods having specific geographical origins and possessing qualities or reputations that are essentially attributable to the place of origin. Geographical indications differ from other types of IP rights in that they are a collective right rather than a unique right held by a particular individual or business. Geographical indication protection can be renewed indefinitely

A cigarette with a heavily damaged, crumpled filter, standing on a pile of ash. The cigarette is positioned vertically on the left side of the image. The filter is dark and crumpled, while the cigarette body is a light brown color. The background is a dark, smoky blue.

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Combating Pharmaceutical Crime Fighting The Fake Strategy

Ramesh Raj, Kishore
Regional Director, Asia Pacific
Pharmaceutical Security
Institute (PSI)



Counterfeit medicinal products are a threat to the health and safety of patients around the world. They range from drugs with no active ingredients to those with dangerous impurities. They can be copies of branded drugs, generic drugs or over-the-counter drugs.

FDA Approval to manufacture:

Often, criminal syndicates manufacturing counterfeit medicines carry out such preparations in unsensitized warehouses. Actual facilities are FDA approved and or aligned with the respective countries drug laws. A big concern is when a facility where the end products are stored is broken into and products stolen. In some parts of the world this is a common problem. Stolen products are either illegally diverted and or counterfeited from there. Hence companies have to ensure that they carry out a strict risk assessment of the building, its security measures and internal protocols.

Total Supply Chain:

With respect to the effect on supply chain, the COVID lockdown in the various countries has resulted in the reduction of supply of essential active pharmaceutical ingredients which in turn resulted in the reduction of supply of the much-needed medicines. Also, the scarcity of manpower within the supply chain also resulted the slowdown from manufacturing and the time taken for customers before they receive the product.

Despite the lockdown, COVID-19 still cannot prevent criminals from profiting. For eg. Very recently, 500,000 face masks valued at 400,000 EUROS were stolen in US.

(<https://www.cbp.gov/newsroom/local-media-release/500000-counterfeit-n95-masks-seized-chicago-cbp>)

The current lockdown situation contributed to the slowdown or delay of cargo movement by 85%. But what does this actually mean for Post-COVID??

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The losses from counterfeit pharmaceuticals is 10 times greater than counterfeit clothes & shoes.

According to a ranking of the most counterfeited goods by Havascope consumers are much more likely to purchase counterfeit drugs rather than purchase counterfeit clothes, shoes and bags. In fact the estimated losses from counterfeit pharmaceuticals exceeds \$200 billion vs a paltry \$24 billion for fashion products. The economies they are hurting most include those of developing African countries, where fake anti-Malarial drugs are rampant.

Marc Gasso, . 2015. Five surprising facts about the global counterfeit market

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In brief, all the parcels that have been in storage and fulfilment centres will flood the Customs departments all over the world. Criminal syndicates will also take this opportunity to take advantage to swamp the world with counterfeits ranging from COVID test kits, COVID vaccines and medicines thought to treat COVID.

Post COVID will also see industries embracing digitalization in managing and safeguarding their supply chain. Businesses would want to ensure that they have better end to end oversight to safeguard their products from being counterfeited.

But of course, this will make the already complicated supply chain even more complicated.

Monitoring & Documentation:

With this big shift away from traditional retail to an increased reliance on online shopping, supply chains must adopt a new process in their planning and response to alerts for fake and counterfeit products. Immediate, decisive actions across the supply chain coupled alongside strategic elimination and prediction measures will determine the longer-standing reputation of businesses, as well as broader market, peer and brand image. There are three actions that organizations can implement if they haven't yet done so. That is to **Communicate, Monitor and Collaborate**

Public-Private Partnership:

Public-private partnerships (PPPs) are being utilized in almost every industry sector across the globe. But nowhere is this partnership as critical as in the global fight to curb counterfeit medicines. This problem is so pervasive, so broad and so global that we cannot even begin to address it without sincere collaboration among every stakeholder across all continents.

Vietnam's National Assembly recently codified the provisions on public-private partnership (PPP) projects into law. Set to take effect on January 1, 2021, the new PPP Law reduces uncertainty from other laws or decrees that may apply in a given situation. Such a law will undoubtedly attract more private and foreign investment.

If only more countries were as forward thinking as Vietnam in this aspect we would the GLOBAL change eventually.

PSI makes many efforts to build relationships with governments and the relevant authorities. While we have success in some countries, there is much resistance especially from well developed countries.

From my experiences, the developing countries are more respective to working partnerships with the private sectors but truth be told, in order to be successful to combat counterfeiting, we must understand that fighting fake is not a one country or one industry problem. It is a GLOBAL problem which requires a collective approach.

Global Awareness:

At an industry level, companies must be ready to work either through industry associations or directly with LEA to share updates. Industries incorporate strategic plans to combat counterfeits. At consumer level, patients or customers must products through verified sources. At LEA level, they must be willing to work with industries and share intel. Capacity building incorporated.

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Despite the increased attention, the global counterfeits market is growing at breakneck speeds.

The counterfeit goods market has seen increasingly high growth rates over the past two decades, in particular seeing growth at breakneck speeds since the global financial crisis of 2008. The US government estimate that the value of global counterfeits has increased by 1700% in the last 10 years.

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DeLaRue

De La Rue Authentication

Your brand protection solution, powered by our expertise.

Brand protection is a rapidly changing industry. In both offering and capability, today's brand protection model looks very different to how it did just a few short years ago. It requires responsive and modular solutions that not only enable a brand to protect its products and reputation, and also create engaging consumer experiences, increase interaction and inspire trust.

De La Rue understands that a complete solution is essential for the success of any brand or consumer protection programme – which must now go further than the interaction at point of sale, reach into the supply chain and keep working in the circular economy. De La Rue offers a range of solutions that combine the world's most secure serialised physical tokens (designed specifically to integrate with your brand) alongside digital capabilities that enable tracking, tracing and mobile applications.

De La Rue has been creating brand protection solutions for over 30 years in security sectors to the specific challenges facing your brand. Our heritage in secure optical technologies of security holograms, which we have demonstrated world-leading holographic innovation and built long-standing partnerships with the brands we work with to ensure that our solutions offer the ultimate protection from counterfeit threat.

As your partner, we offer a wide variety of security features and complementary effects to protect and enhance your brand. We select the best technologies for your requirements from our extensive portfolio of security features and employ complex origination very difficult to replicate. Lazy counterfeiters will target products not protected by high-end holograms.

By applying our expertise and proven track record in holography, you can enable field enforcement officers, and consumers to authenticate a genuine product from a fake in one glance by revealing the unique effects and technologies supporting the security feature; in addition our combined approach integrates this simple visual recognition with on-line eVerification with a smart phone, which ultimately reinsures the authenticity and its traceability recoded along the supply chain.

At De La Rue, we offer modular solutions, which can be adjusted to suit your requirements, please talk to us to engage further with you and your team to define the best tailor made approach for your brand to deliver full engagement with your consumers, Enhancement fitting perfectly with your corporate brand identity and Enforcement to protect your supply chain.

For any query:
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Jerome Pichot
Business Development Director,
Brand protection, Europe/Asia
De La Rue



De La Rue

Brand
Protection

Bringing Authenticity To Life

Safeguarding revenue and reputations demands authentication and traceability solutions that are robust, adaptable and can be quickly deployed. De La Rue provides comprehensive modular software solutions, physical security labels and documents for a wide variety of commercial and government applications.

With over 200 years' experience, De La Rue helps to protect against counterfeit and illicit trade, securing revenue and safeguarding reputation.

www.delarue.com



DeLaRue

Who Attended

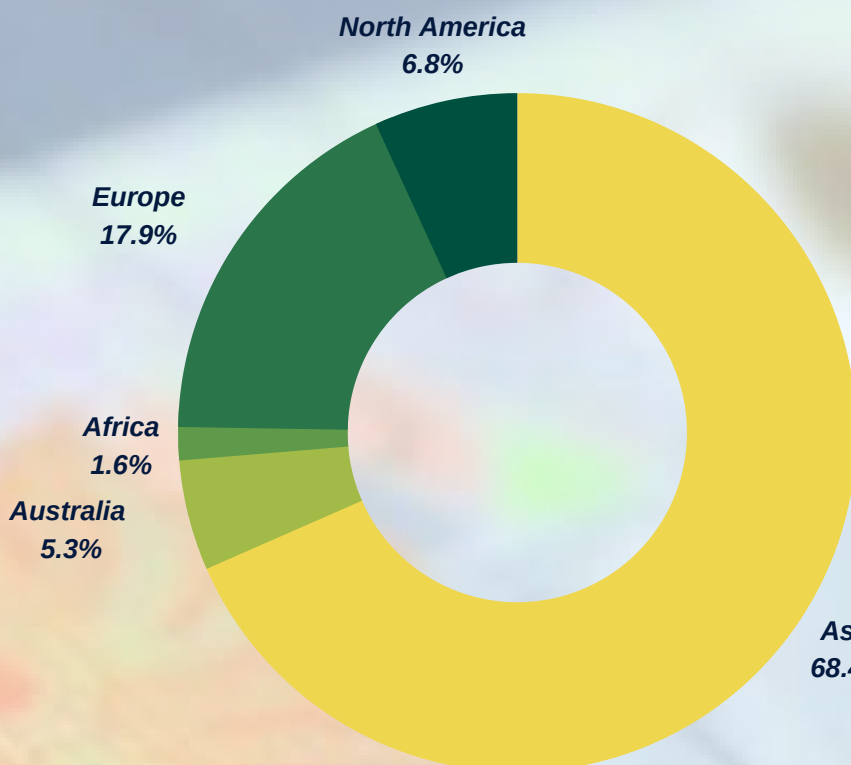
190 Attendee representing **157 Organization**

Abbvie	Docquity	Holostik India	Luminochem	Pfizer Upjohn
Duopharma Biotech Bhd	Dotz	HP	Lundbeck	Pharmaceutical Security Institute
Virtus Global Sdn Bhd	DSV Panalpina A/S	Hsa	LVMH	PNMB InnoVentures Sdn Bhd
AbbVie	Duopharma Biotech Bhd	ICR360	Malaysian CropLife & Public Health Association	POS Logistics
Acviss Technologies	EHS	INEXTO SA	MATRADE	PREMIUM SYMBOL
Adidas	Eigencorporate Pte Ltd	Inspectron Ltd	Medipharm Sdn Bhd	Procter & Gamble
Advanced Material Development	Ejadah assets management	Integrity Indonesia	Merck	PT. PURA BARUTAMA
AGFA	EMS	Intellectual Property Corporation of Malaysia	Microsoft	Puma Malaysia
AIN MEDICARE SDN. BHD.	Escudo Web Software	iologue	Ministry of Health	Reconnaissance
Allergan	EU-ASEAN Business Council	Ipay88	Mondelez Malaysia	Renault
Antares vision india p. Ltd	EVERYTHING	IPO / British High Commission Singapore	Motorola Solutions	Restu Ideal (M)
Anti-Counterfeiting & Global Security	Fasiculus.	IPOPHL	Multi Herbs Pharmaceuticals (M) Sdn Bhd	Rolling Optics
ApiraSol GmbH	Flipkart Internet Private Ltd	i-Sprint Innovations	Multifoil Sdn Bhd	Sanofi
Asias Security Group	Fonterra Brands Malaysia	JD Sports	Nabcore	Shah Eigen LLC
Authentic Vision GmbH	Ford India	Johnson & Johnson	Novugen Pharma	Shiseido Malaysia Sdn Bhd
Authentik	GD Innovations	JTI	NRT MAINTENANCE SERVICES PTE LTD	SICPA SA
Bandung Institute of Technology	Glenmark Pharmaceuticals Limited	JUPITER TECHNOLOGIES PLTD	OLNICA	Siemens Malaysia
Bayer AG	Global Trade Shield Sdn bhd	Jura JSP GmbH	Onspot Solutions	SnapDragon Monitoring Ltd
BMW	Gohar Group	Justar Technology Co Ltd	Oppertus	SPQR
BrandOrb Biz Pty Ltd	Grab	Karex Malaysia	OriginAll SA	Systech
British American Tobacco	Group-IB	Kickers Maaysia	Osiris Consultancy Sdn Bhd	TacomsGroup
Casa de Moneda	GS1 Australia	Kshitij Polyline	OVD Kinegram	Takeda Pharmaceuticals
Christ university	HD Barcode	Lazada Malaysia	Packtica sdn bhd	Tatasteel Limited
CIM	Helwan University	Lee Bumgarner Research & Analysis Malaysia Sdn Bhd	PepsiCo	Tealive Asia (TE-Food
Corsearch	HID Global	Leonhard Kurz Stiftung & Co. KG	Petronas	Teraputics Sdn Bhd
Danfoss	Hoe Pharmaceuticals Sdn. Bhd	Linksmart	Pfizer Malaysia	tesa scribos
De La Rue	T-Security	U-Nica	Western Digital	Teva Pharma
DH Anticounterfeit	Tvs motor Co Ltd	UNITAR	YPB Group	Toll Group

Members Benefit



DEMOGRAPHICS



- 68.4% of the attendees were based in the Asia Region, 17.9% were based in Europe, 6.8% were based in North America, 1.6% were based in Africa, while attendees based in Australia were only 5.3%
- Most of the attendees based in Asia were from Malaysia, China, Singapore and Hong Kong.



TOP COUNTRIES



41% of the Attendees were based/streaming from Malaysia



17% of the Attendees were based/streaming from the Philippines



12% of the Attendees were based/streaming from Singapore



8% of the Attendees were based/streaming from Europe

ENGAGEMENT



117 Attendee watched the Webinar Live streaming through ZOOM
47 Attendee watched the Webinar Live through our website.
14 Attendee watched the Webinar Live through Facebook.

A total of 18 Questions were asked collectively through the ZOOM Q&A feature.



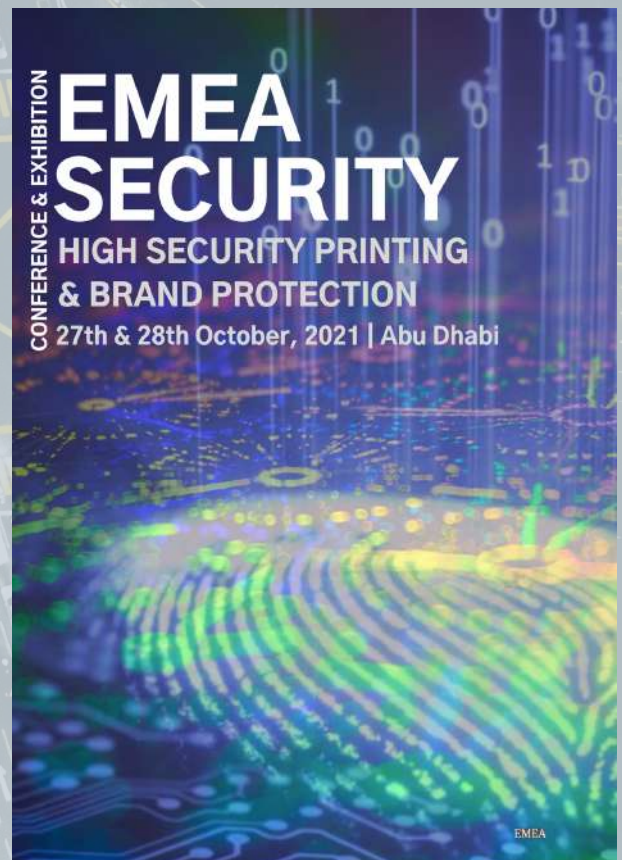
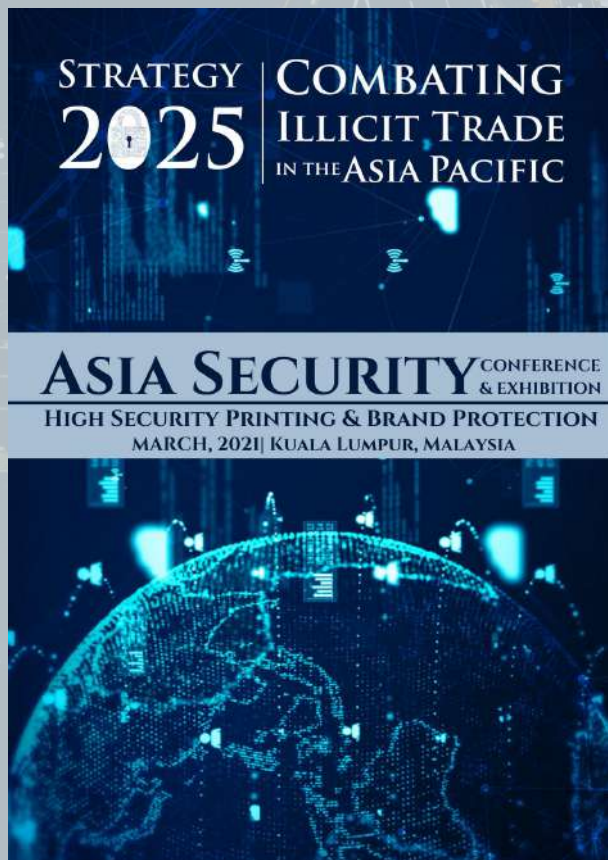
68% of the Attendees attend the full webinar from the start of the broadcast to the end which is a total of 130 attendee.



Asias Security Group event

High Security Printing & Brand Protection

COMBATING ILLICIT TRADE & COUNTERFEITS WORLDWIDE



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