

PRESS RELEASE

Blocking Period: Monday, 25 April 2022, 12:00 h (noon)



Product and brand piracy - a serious threat to the economy and consumers: Negative award "Plagiarius" sheds public light on intellectual property theft!

Product and brand piracy is a lucrative business worth billions. The pandemic is fuelling the problem even more. According to Europol, counterfeit products are increasingly advertised and distributed via e-commerce platforms, social media and instant messaging services. Alarming: the unscrupulousness with which counterfeiters increasingly offer extremely low-quality fakes that endanger the health or lives of users. The structure of the perpetrators ranges from unimaginative competitors to professionally organised counterfeit networks to organised crime. The damage caused by counterfeits to buyers and innovative manufacturers is massive. It is essential to promote and protect creative ideas and know-how. Counterfeits mean stagnation - originals stand for diversity and the future.

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

On 25 April 2022, Aktion Plagiarius awarded its dreaded negative prize "Plagiarius" for the 46th time to manufacturers and traders of particularly brazen plagiarisms and counterfeits. The virtual award ceremony and press conference was broadcast from the Baden-Württemberg Patent and Trademark Centre in Stuttgart. The date and location were deliberately chosen to draw attention to the annual "World Intellectual Property Day" on 26 April. In her speech, this year's laudator, Dr. Nicole Hoffmeister-Kraut, Minister of Economics, Labour and Tourism of the State of Baden-Württemberg, emphasised the outstanding importance of intellectual property for securing jobs, prosperity and competitiveness.

The "Plagiarius" award says nothing about whether the imitated product is legally permitted or illegal. The aim of the Plagiarius campaign is rather to raise public awareness of the questionable - and sometimes criminal - 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. 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. Counterfeiting is not a trivial offence.

Intellectual property deserves protection and recognition - every day

Every year on 26 April is "World Intellectual Property Day". This day focuses attention on the social importance of innovation and creativity. Intellectual property refers to any idea, any creative, intellectual achievement that results in a unique new work - be it a product design, a technical solution, art or a cultural piece, e.g. from film, dance, music, literature, games. Good ideas are the most important capital for success. But they cannot be taken for granted. To promote innovation and progress, the state offers designers, inventors and entrepreneurs the temporary opportunity to protect their intellectual property by means of copyright or the registration of industrial property rights - trademark, patent, design - and to hold imitators accountable. Creative people and SMEs can find free advice and support in this regard at the patent information centres and design centres in the individual federal states.

Every original stands for progress, diversity, the future - and for courage

With all its activities against brazen idea theft, Aktion Plagiarius is also committed to more appreciation of creative achievements. After all, it is a complex and cost-intensive process from the initial idea to the market-ready end product, in which the developers or brand owners regularly make advance investments. Design and engineering services require not only very complex specialist knowledge, but also a sense for markets, trends, sustainable production and economic feasibility. Quality and safety controls, certifications, packaging design and many more factors also play an important role. In order to be able

to secure further product developments and jobs, this entrepreneurial risk must pay off. Only then can the economy and prosperity in Germany, Europe and the world develop and the future be shaped.

High profits at the expense of the economy, consumers and factory workers

However, this does not work out when unscrupulous free riders successfully copy established products 1:1, unabashedly pass them off as their own achievement, offer them at a supposedly lower price and thus unjustifiably siphon off market shares and profits from the original manufacturer. In addition, to maximise profits, counterfeiters sometimes use the cheapest materials and disregard quality controls as well as social standards in the counterfeiting factories.

During the pandemic, many counterfeiters adapted their business models to the modified demand at lightning speed. Whether lockdown, or supply bottlenecks - such as for masks, eBikes, semiconductor chips or active ingredients for medicines - they can supposedly meet any demand, especially online and via digital media. Kathrin Körber, Telecommunications and Internet Officer at the Consumer Advice Centre of Lower Saxony, advises victims of so-called "fake shops". Operators of fake shops offer online products that are in high demand and then charge customers without ever delivering the goods. "Some websites are only operated in order to obtain customer data and conclude other sales contracts," says Kathrin Körber. She always recommends taking a look at the imprint and the terms and conditions. "Typical warning signals for online shops are, e.g., a missing imprint or fictitious addresses or stolen trade register numbers, compulsion to pay in advance, seals of approval not linked to the issuer. Suppliers from non-European countries often exclude the right of withdrawal altogether, have idiosyncratic return conditions and respond less frequently to enquiries. In addition, there are high return shipping and customs costs." She advises those affected to try to reverse the payment as soon as possible and to file a complaint with the local police. To avoid high penalties and to minimise losses upon discovery, counterfeiters deliberately spread their activities among various small, seemingly unrelated online shops.

Increase in dangerous imitations reveals unscrupulousness of counterfeiters

In their recent report "Dangerous Fakes", the OECD and EUIPO warn that criminals often pay no attention to legal regulations and safety-related parameters and increasingly distribute counterfeit goods that can pose serious health, safety and environmental risks. The most frequently affected products are clothing, perfumes, cosmetics, toys, spare parts for cars, medicines as well as medical and COVID-related products such as test kits or protective equipment. The American Apparel & Footwear Association also points with concern to sometimes dangerously large quantities of chemicals and heavy metals in counterfeit clothing, shoes and accessories.

In the report "Global Trade in Fakes", EUIPO and OECD put the international trade in counterfeits at an alarming €412 billion for 2019 alone. This corresponds to 2.5% of world trade. In Europe, the share is significantly higher, at 5.8% of all EU imports. Imports of counterfeit products into the EU amounted to €119 billion in 2019. Purely domestic transactions are not included. The study "Intellectual Property Crime Threat" by Europol and EUIPO shows that most of the counterfeits are still produced in China. However, the increasing import of counterfeit packaging materials and semi-finished products into the EU also points to illegal production sites in the EU.

Fake remains fake: No brand experience, despite a chic cover

Nowadays, counterfeit goods are available in all price and quality gradations: from dangerous cheap fakes to high-quality, but then also high-priced, plagiarisms. Aktion Plagiarius strongly advises consumers not to uncritically follow every recommendation on social media or to click "buy" too quickly. It is still evident that plagiarisms and counterfeits are only deceptively similar to the original at first glance. Consumers should not indulge in the illusion that identical appearance automatically means the same quality, performance, and above all safety. In addition, every counterfeit merely copies the product cover. It does not convey the inner values of the brand product and never manages to create the brand experience of the original. Counterfeits are the opposite of a status symbol. It is the (personal) responsibility of every consumer to consciously and enthusiastically choose the original and thus deprive the counterfeiters of their basis for business.

Operators of e-commerce platforms and online traders must be held more liable

"In order to better protect industry and consumers from dangerous counterfeits, the operators of eCommerce platforms must be held more responsible in the future," says Dr. Aliko Busse, specialist lawyer for industrial property rights and 2nd chairperson of Aktion Plagiarius. "Commercial traders must clearly and verifiably verify their identity with photo ID, tax identification number, bank and contact information and comply with applicable law in the sales market. In addition, operators must ensure tech-

nically that infringing offers that have already been deleted cannot be uploaded and offered again under a different name. At the same time, legislators must ensure that criminal networks are deprived of illegal, extremely lucrative profits and that money laundering is prevented."

Plagiarius Prize Winners 2022 from April 30 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 2022 of the Negative Award "Plagiarius"

The jury met on January 14 + 15, 2022 (corona-conform) and awarded three main prizes, one special award and four peer awards / distinctions.

1. Prize

Cutlery Set "KLIKK" (3 pieces) - sold as part of a promotion

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

Plagiarism: Distribution: Are Media Pty Ltd., Sydney NSW, Australia
Manufacture: PR China

Compact. Clever. Sustainable. What seems so simple at first glance is extremely complex in its fine construction. The design-awarded KLIKK reusable cutlery set impresses with its intelligent plug-in connection and a sustainable material and manufacturing concept. Australia's 'leading premium' publisher of women's magazines used a very inferior plagiarism of the cutlery as part of a loyalty campaign. As much as the visual appearance was designed to match exactly, there was little emphasis on durability. The plagiarism is made of unsuitable plastic, which deforms after a very short time and thus makes the cutlery completely unusable after a few uses. Even the low price - approximately one third of the original price - is no consolation.

2. Prize

Pressure Gauge (use: in chemical and process engineering processes)

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

Counterfeit: Distribution: Abdullah Corporation, Dhaka, Bangladesh

(Pressure) measuring instruments are essential in mechanical engineering, automation, the food and pharmaceutical industries as well as in chemical and process engineering processes. WIKA products stand for precision, quality and safety; even at extreme temperatures or in highly aggressive media. The inferior counterfeits from Southeast Asia are neither reliably precise nor robust against shocks. This counterfeiter not only abuses the globally protected trademark "WIKA", he deceives buyers with "Made in Germany" about the true origin. CT examinations by Klostermann 3D Messtechnik reveal that the measuring spring of the counterfeit is too small and that there are no fine adjustment possibilities, so that the declared measuring accuracy - class 1.0 according to EN837-1 - is not achieved. The potential danger of falsely regulated pressure is high, as are the follow-up costs. Therefore, WIKA always takes decisive action against counterfeiters.

3. Prize

Double-row "INA" axial angular contact ball bearing (precision bearing for screw drives)

Original: Schaeffler Technologies AG & Co. KG, Herzogenaurach, Germany

Counterfeit: GIANT Bearing Co., Ltd., Jiangsu, PR China

GIANT shamelessly copies and forges everything: from products, packaging and the brand names of renowned manufacturers such as Schaeffler, to dealer certificates, Data Matrix codes and bank confirmations. Everything except the product quality. Precision and reliability play an enormous role in products that are used in machine tools, among other things. 3D Scanning by Klostermann 3D Messtechnik shows significant deviations in dimensional accuracy and manufacturing quality, with unpredictable consequences depending on the installation situation. The damage lies not only with

Schaeffler, but also with dealers who are liable for the inferior quality, and with customers who have to endure the consequences for man and machine. Schaeffler therefore protects and defends its intellectual property very consistently worldwide.

One Special Award and four “Distinctions“ (equal in rank) were awarded

Special Award "Hyena Prize"

Control Cabinet Key "KNIPEX TwinKey"

Original: KNIPEX-Werk C. Gustav Putsch KG, Wuppertal, Germany

Plagiarisms: Various online vendors, mainly from the PR China (14 examples out of 9,500+)
Distribution via, among others: Amazon.de / Amazon.fr / Amazon.com/USA;
Alibaba.com; Taobao.com/China; 1688.com/China; banggood.com

9,500 ! illegal offers of the TwinKey have been deleted by KNIPEX on online platforms in the last three years. The special feature of the original: The ingenious, patent-protected solution, in which two multifunctional keys with a total of ten profiles are combined very compactly and in a star-shaped arrangement by means of a magnet, but can be easily separated for use. Various court decisions confirm the 'competitive distinctiveness' of the original, i.e. imitators act unfairly and deceive buyers about the origin. The extremely low prices of the counterfeits are reflected in cheap materials and poor workmanship, the magnet often does not work or comes loose from the attachment.

Distinction

"GERMENS“ Artist's-Shirt "ALNUSO“

Original: GERMENS artfashion - Markeking GmbH, Chemnitz, Germany

Plagiarism: Distribution: Gabano UG (limited liability), Melle, Germany
Manufacturer: Gabano Fashion Design Agency / Gabano Group, Istanbul, Turkey

GERMENS shirts stand for high-quality fabrics and edgy designs created by artists. In this - and many other Gabano plagiarisms - the colours and the art motifs that characterise the overall impression have been copied almost 1:1, only the arrangement and tiny details have been changed or the view rotated. Gabano's German website is in English and contains no imprint. The address given on Facebook is also not accessible. Trendy buzzword buttons like "design process" and "sustainable production" lead nowhere. A German online retailer offered the plagiarism for one seventh of the original. He signed a cease-and-desist declaration

Distinction

Cutlery Set "KLIKK POCKET" for on the go (3 pieces)

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

Plagiarism: Distribution via: "de.shein.com", Fastfashion Online Shop
Operator SHEIN upon discovery of plagiarism: ZoeTop Business Co., Ltd., Hong Kong

The functional reusable cutlery KLIKK POCKET is ideal for on the go and meets the spirit of the times: compact, robust and 100% recyclable. Koziol has registered EU-wide design protection for the design-awarded cutlery - as for all its products. Cheap-Fastfashion distributor SHEIN recruited customers via Google Adwords and social media and offered the visually identical but unstable plagiarism in 4 colours - for less than a third of the original price. On the packaging of the plagiarism, 5 certificate labels are shown, which are supposed to testify to sustainability, quality and safety. Whether the testing institutes have ever tested the material and the cheap product is questionable.

Distinction

Volkswagen wheel trim with "VW" logo

Original: Volkswagen AG, Wolfsburg, Germany

Counterfeit: Manufacturer: Murama S.r.l., Turin, Italy

Distribution: various online vendors (Germany / EU), via eBay.de and Amazon.de

"Product does not originate them but adaptable". This is unabashedly engraved on every fake "VW" wheel cap. Optionally, Murama offers other car brands. Price: 25% of the original. This is reflected in cheap materials and lack of stability. VW protects its intellectual property worldwide and consistently enforces its rights. A German online vendor has signed a cease-and-desist declaration and submitted. The Italian manufacturer refused a cease-and-desist declaration. Despite obvious trademark infringement, (protracted) court proceedings are therefore pending against Murama in Italy.

Distinction

CanadianCat foodbar "Cat Diner", with separate cat grass bowl

Original: Wagner Pet Products Group, Geilenkirchen, Germany

Plagiarism: Distribution: German discounter and a German supplier / theme promoter

The original: Smart (protected) design, well thought-out ergonomics, high-quality impression. Idea, shapes, colours and arrangement of the individual elements were adopted almost 1:1. The cheap price, a fifth of the original, quickly becomes apparent in the materials and fine construction. In the plagiarism, the feeding bowls are not made of shape- and heat-resistant ceramic, but of cheap plastic. The bowls do not sit stably in the recess, i.e. they slide back and forth uncontrollably and loudly when eating. Due to the clear design violation and in the interest of a quick and unbureaucratic settlement, the supplier / theme promoter of the German discounter was willing to settle the case amicably out of court.

The Jury of the Plagiarism-Competition 2022:

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

Andreas Enslin, Vice President Design Center Miele & Cie. KG, Gutersloh, Germany

Michael Fürstenberg, Director Global Design Center, Britax Römer Kindersicherheit GmbH, Leipzig, Germany

Dagmar Hub, Freelance journalist and author, Elchingen, Germany

Claudia Schick, Anchorwoman, media coach, journalist, Frankfurt, Germany

Marc von Bandemer, CEO Public Relations v. Hoyningen-Huene, Hamburg, Germany

Legal Advice:

Dr. Aliko Busse, Certified IP-Lawyer, Lawfirm Busse & Partner, Munich, Germany

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<https://www.linkedin.com/company/aktion-plagiarius-innovation-vs-imitation>

Press Download: (individual): www.plagiarius.com

Press Release ("Press") / **Photos of Prize winners** ("Competition") or:

Zip-file with all data (66 MB): www.plagiarius.de/preistraeger-2022

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