

PRESS RELEASE

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Negative Award “Plagiarius” sheds public light on impudent counterfeits !

Product- and brand piracy is a lucrative billion dollar business for unscrupulous counterfeiters – clearly at the expense of innovative entrepreneurs, gullible bargain hunters and the workers in illegal factories. Globalisation and the internet promote a world-wide distribution of plagiarisms and fakes – however, the prosecution of dubious online-vendors is more than difficult.

Plagiarius Award Ceremony 2014 – theft of intellectual property is no trivial offence

On February 7, 2014 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 unscrupulous business practices of counterfeiters, who pilfer intellectual property and pass it off as their own creative achievement as well as to raise the public awareness of this complex problem among the industry, politicians and the consumers. The trophy of the black gnome with the *golden nose* is a symbol for 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*” meaning to earn a lot of money.

“The award ‘Plagiarius’ does not say anything about whether a plagiarism is legally permitted or not. Aktion Plagiarius cannot nor wants to pass judgement. However, we can shed light and call attention to the injustice and the problems of enterprises affected by imitations”, said Prof. Rido Busse, the originator of Plagiarius, during the award ceremony.

Economic growth and jobs threatened

Product- and brand piracy - often preceded by industrial espionage - has developed into one of the most serious forms of white collar crime. Alone in 2012 European customs officials seized almost 40 million IP infringing goods with an estimated value of 1 (one) billion EURO at the EU borders and took them out from circulation. About 72% of products seized had their origin in China and Hong Kong. Among the top ten countries of origin are the United Arab Emirates (8.37%) as well as Turkey and diverse Eastern European countries. It is a fact that industrial nations themselves are often the ones responsible for ordering or importing these imitations and thus also profit from the sale of counterfeits. Affected designers and SMEs increasingly report to Aktion Plagiarius that the violators also come from their own countries. Indeed, some brand manufacturers, who are themselves victims of plagiarisms, now and then turn into offenders. The awareness for intellectual property sometimes ends at the border of the company premises. However, deliberate imitations of any kind are a grave threat for innovative entrepreneurs and jeopardise competitiveness and jobs, especially at SMEs. Nowadays, almost all sectors are affected by imitations: From consumer goods and toys to pharmaceuticals, cosmetics, food and even tools, automobile fittings, machines and equipment.

Creativity and know-how inherent to the original product

Brand-name products do not only convince at first glance, they also keep their promise of quality in the long term. However, performance and safety come at a price: The process from a first bright idea to the market-ready product is often very time consuming and costly. Every single product development involves advance capital investment on the part of the entrepreneur. In order to secure future progress and jobs this *entrepreneurial risk* has to pay off economically. To best secure the company data and know-how against theft, the entrepreneur has to coordinate legal, organisational and technical measures.

Diverse parties responsible for the increase of product- and brand piracy

Back in the 90ies product- and brand piracy was “*black and white*” thinking. Original products were of high quality – counterfeits however, could be easily identified as such - even from a distance - based on their cheap quality. What was once a cottage industry, has meanwhile developed into a highly professional industry with a global network of manufacture, logistics and distribution. From black and white now many different *shades of grey* have developed, with diverse participants.

Range of counterfeits – from cheap copy to high-quality imitation

Today plagiarisms and fakes are available *at all diverse price- and quality levels*: From cheap and dangerous knock-offs up to high-quality products that can only be revealed as fakes in a laboratory. In the first case, the counterfeiters focus on fast profit maximisation and cheaply and successfully copy an established product. They often use inferior materials, deliberately omitting quality- and safety controls and producing under degrading working conditions. They recklessly put the health of factory workers and consumers at risk. In case of high-end imitations the counterfeiters have gathered know-how and experience and are now able to manufacture quality products. If this potential would be invested in future in self-developed design and technical solutions, a fair and legal competition could arise to positively stimulate markets.

High demand also in the B2B-sector

Against the background of globalisation the business increasingly faces cost pressure and looks for potential savings. In this context, tempting offers of some international wholesalers – *who pursue a two-fold strategy, i.e. they offer both, brand name products and imitations* – are highly welcome. However, what may seem a cheap offer may eventually turn into an extremely expensive proposition: Especially regarding technical and electronic products highest quality, precision and safety are essential. If cheap alternative products lacking function and falling short of performance are used, the production flow may be interrupted and results will be distorted. This would entail huge costs e.g. for product liability, product recalls etc.

Consumers bargain hunting for status symbols

For many people in today's society status symbols are important – whether they are real or fake does not seem to matter. Thus, many consumers are brand- and bargain hunters at the same time. To some extent, even buyers, who supposedly value high-quality brand-name products, yet cannot resist the temptation of a *fake* brand-name watch or bag. However, the consumers must not delude themselves into thinking that the intention of the counterfeiters is to offer them more variety or cheap alternatives. The imitators act recklessly and are merely profit-orientated. As markets regulate themselves by *supply and demand* each consumer bears considerable responsibility, i.e. users, who deliberately purchase counterfeit products also support child labour and criminal business practices.

The internet – not a legal vacuum ?

Also on internet dubious vendors can create a lot of mischief. Partly, they deceive gullible consumers with supposedly brand-name websites and original product photos, they hide in the anonymity of notorious online sales platforms, well-known for counterfeits. For the original producers it is often very difficult to proceed against such online sales offers. Indeed, many online platforms grant the possibility to report illegitimate offers and to file an application to delete them and ask for the contact data of the violator – however, mostly with no follow-up at all. Manufacturers or retailers are hard to trace, making prosecution pointless. The same applies for cheated online-buyers. It is all the more annoying when one has spent a huge amount on a fake brand-name website for a fake product. Especially World Wide Web consumers should carefully verify vendors and products to not fall victim to supposedly great bargains. A look at the site notice and the website of the brand owner may be helpful.

To convince consumers to choose brand name products

Against this background not only copies, but increasingly many (parts of) brand name products are being manufactured in low-wage countries. Consumers are confused over the huge price differences. At first sight original and copy are misleadingly similar. Therefore, the challenge for the brand name producer is to point out and communicate more clearly the differences in quality and the added value of their brand name product.

The **award ceremony of “Plagiarius 2014”** took place as follows

Consumer Goods Trade Fair “Ambiente“
Congress Center, Frankfurt Fair, Room “Illusion 1-3“
on Friday, February 07, 2014, 12:30 p.m.

The ‘**laudatory speech**’ on the prize winners was made by **Doris Möller**, directress of the department for Intellectual Property at DIHK e.V. - Association of German Chambers of Commerce and Industry, Berlin.

The Plagiarius prize winners 2013 and 2014 will be presented at the **Special Show “Plagiarius”** from February 07-11, 2014 at the **Foyer 5.1. / 6.1.** After the Ambiente the prize winners 2014 will be presented in the Museum Plagiarius in Solingen. (Bahnhofstr. 11, 42651 Solingen, Germany).

Museum Plagiarius – Original vs. Plagiarism

The Museum Plagiarius 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.

The Prize winners of the Plagiarius-Competition 2014:

The jury met on January 11, 2014. Three main prizes, three special prizes and seven distinctions (equal in rank) were awarded; total entities: 51.

1. Prize

Radial shock wave therapy device “ZWave” (for aesthetic medical treatments),
incl. website: original: www.zimmer-aesthetic.de / plagiarism: www.ziaverwaver.com

Original: Zimmer MedizinSysteme GmbH, Neu-Ulm, Germany

Plagiarism: Shenzhen PRT Import Export Co., Ltd., PR China

2. Prize

High pressure cleaner “HD 6/15 C”

Original: Alfred Kärcher GmbH & Co. KG, Winnenden, Germany

Plagiarism: Wenzhou Haibao Co., Ltd., PR China

3. Prize

Mop holder “Sprintus Magic Click”

Original: SPRiNTUS GmbH, Weissach, Germany

Plagiarism: *Distribution:* Otto Oehme GmbH, Allersberg, Germany

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

Originally, the jury had granted 7 distinctions. However - surprisingly and on short notice - the original producer of one of the 7 distinctions now does not want a publication any more.

Cutlery “Triangle”

Original: Amefa Stahlwaren GmbH, Solingen, Germany

Design: Kurz Kurz Design, Solingen, Germany

Plagiarism: *Distribution:* Esmeyer GmbH & Co. KG, Erkrath, Germany

Toy shovel excavator "CAT"

Original: BRUDER Spielwaren GmbH + Co. KG, Fürth, Germany

Plagiarism: *Distribution:* GIFI DIFFUSION SAS, France *and*
GIFI Asia Ltd., Hong Kong, PR China

Cheese grater "Kasimir"

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

Plagiarism: Öz Plastik, Turkey

Trinket tree "pi:p"

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

Plagiarism: unknown, Korea (the plagiarism was offered on the internet; however, manufacturer and distributor could not be traced)

Shopping trolley bag "easysoppingbag"

Original: Reisenthel Accessoires, Gilching, Germany

Plagiarism: *Distribution:* DIAL srl, Italy (after long negotiations DIAL has signed a cease and desist letter)

Vegetable Cutter "swizzzProzzz sP20"

Original: swizzzProzzz AG, Beckenried, Switzerland

Plagiarism: *Distribution:* D-Market Elektronik Hizmetler ve Tic. A.S., Turkey

The following three "Special Prizes" were awarded:

Special Award "Persistent Offender"

LED-Torch "LED LENSER M7R" and Headlamp "LED LENSER H14"

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

Falsifications: JRS Technology Co., Ltd., PR China (JRS was already awarded the special award "falsification" in 2013; JRS shows no reaction or understanding at all)

Special Award "Falsification"

Pocket tools "Victorinox Rescue Tool"

Original: Victorinox AG, Ibach-Schwyz, Switzerland

Falsification: unknown (the falsification was offered on the internet; however, manufacturer and distributor could not be traced)

Special Award "Falsification"

Pressure gauge "111.11.-B"

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

Falsification: *Manufacturer:* Huayuan Gas Control Equipment Man. Ltd., PR China

Distribution: Two German distributors had offered the falsifications on the internet, but ensured omittance; the Slovenian trade intermediary was sentenced to sign a cease and desist letter

The Jury of the Plagiarius-Competition 2014:

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

Katharina Altemeier

Senior Consultant Unity AG, Büren

Roman Gorovoy

Managing Director Electrostar GmbH, Reichenbach

Martin Hampe

Management Consultant, Neuss

Anita Müller

Müller Holding Ltd. & Co. KG, Ulm

Christiane Nicolaus

Directress Design Center Stuttgart

Dr. Peter Pretzsch

Managing Director VIKING GmbH, Langkampfen / Kufstein (Austria)

Caroline Schwarz

Managing Director Ehinger-Schwarz GmbH & Co. KG, Ulm

Detlev Stocke

Chairman of the Advisory Council Carl Mertens GmbH, Solingen

Legal Advice:

Dr. Alik Busse

Lawyer, Busse & Partner - Lawfirm, Munich

Imprint

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Enclosure: CD-Rom with Press Release and Photos of the Prize winners

Download: www.plagiarius.com / "Award" (Photos 300 dpi // Press Release)

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