Border Risk Management – Cooperation with carriers and shippers in the fight against Counterfeiting and Piracy

Internal Market and Services,
1 December 2010

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Traditional perspective

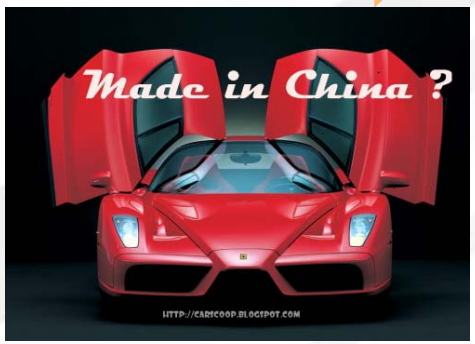
Luxury brand margin

“Victimless Crime”

Public Perception of Counterfeit

Ignorance of Crime/Terrorist Link

Low risk to criminal



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The new dynamics – Brussels 13 May 2008

- Mr. Charlie McCreevy, European Commissioner for Internal Market Services

- *“Europe makes it, then the East fakes it”*

- *“Today the production of counterfeit and pirated products is carried out on an industrial scale”*

- *“I am convinced that more legislation is not the solution here. The problem will have changed before any EU Regulations would be on the statute books [of the Member States]”*

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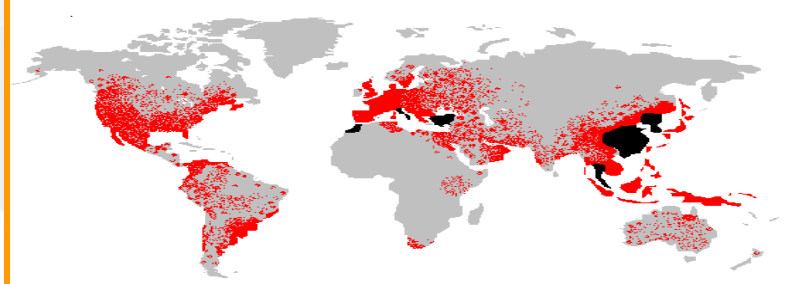
The new dynamics

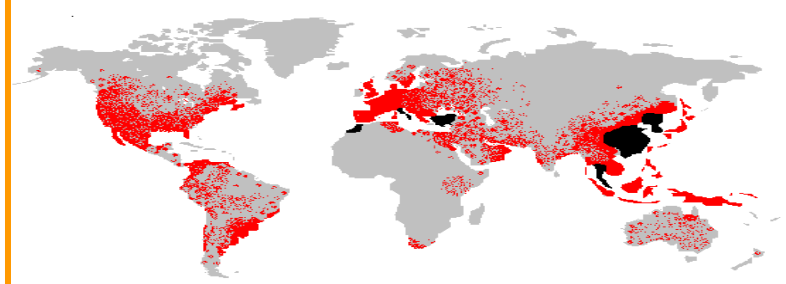
- **Transition of counterfeit from luxury items to general consumer products:**
  - Exploitation of underdeveloped countries
  - Challenge to public attitude of a “victimless crime”
  - Raises the stakes and criminal status of the act
- **Crime outstripping enforcement and regulatory agencies**
- **Political fatigue represents risk**
- **Globalisation assisted by the virtual market place**
- **Slow realisation of the scale**
- **Length of the supply chain protects the perpetrator and adds to cost of enforcement action**

TNT Perspective

- Fakes have an international supply chain
- Counterfeiters' overproduction needing increasingly global market place. They follow recognisable business models
- Rights holders, regulators and enforcement agencies need to focus on source



Manufacturing bases & Markets



Counterfeiting bases & Markets

- Continued focus on destination
  - Diminishes return on effort
  - Only addresses the smaller players
  - Little or no risk to the counterfeiter

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TNT Perspective

- We must be carrying fakes

- Stakeholders need to refocus on the origin to have a marked effect:
  - Greater chance of significant impact
  - Non registration of trade marks in country of manufacture means sourcing is legalised
  - IP legislation and penalties in country of manufacture required to support enforcement agencies
  - Better return on resource and effort
  - Cut out source and attack the main beneficiary
  - Regulatory framework to encourage bilateral enforcement activities

TNT Perspective

- **Fakes have an international supply chain and therefore needs international transportation**

- **TNT is not immune**
  - it has a global network
  - it has a global reach
  - its capacity to identify nature of goods is limited
  - its operation is integrated and transparent “end to end”
  - it will carry fakes in good faith
  - Its brand is global and a target in its own right

- **TNT will be an ignorant carrier of fakes but recognises:**
  - its responsibility to society and the economies it services
  - it needs to reinforce its relationship with customs and rights holders
  - the criminal will be one step ahead so we need intelligent responses delivered in new ways

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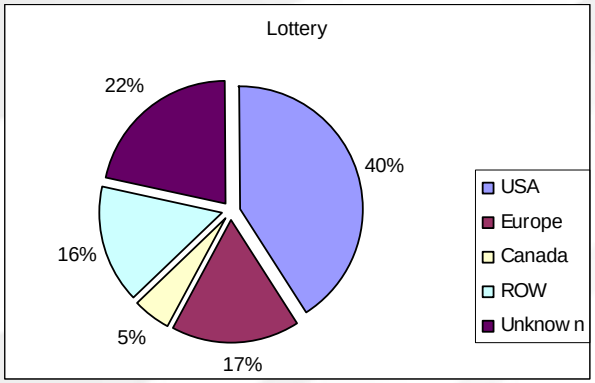
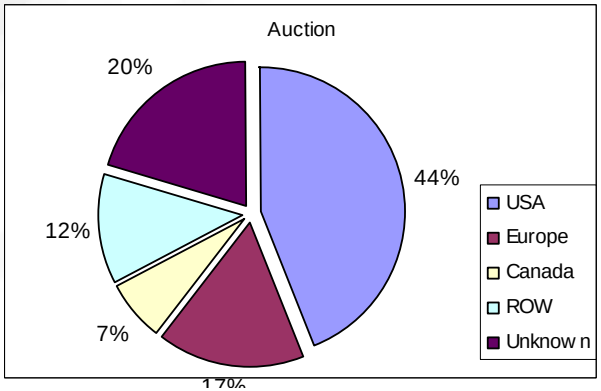
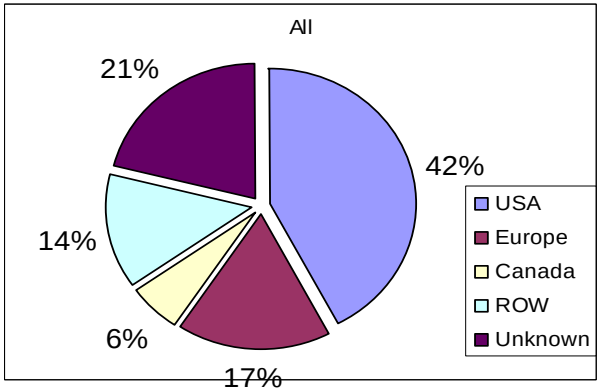
e-crime within TNT

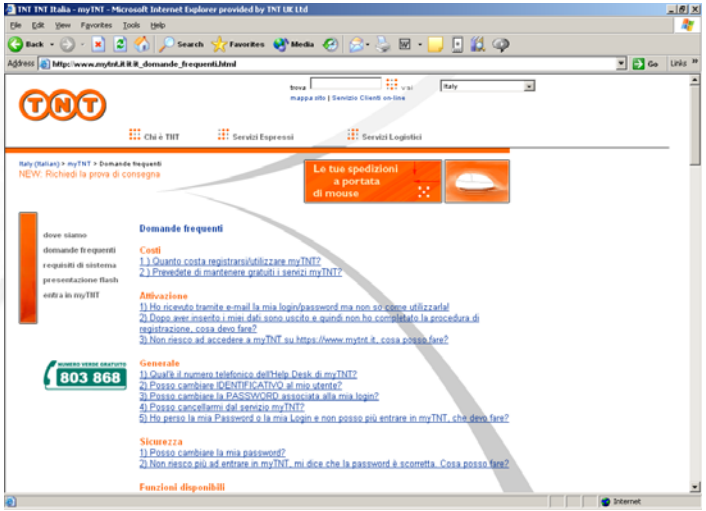
	USA	Europe	Canada	ROW	Unknown	Total
Lottery						
Auction						
All						







Internet



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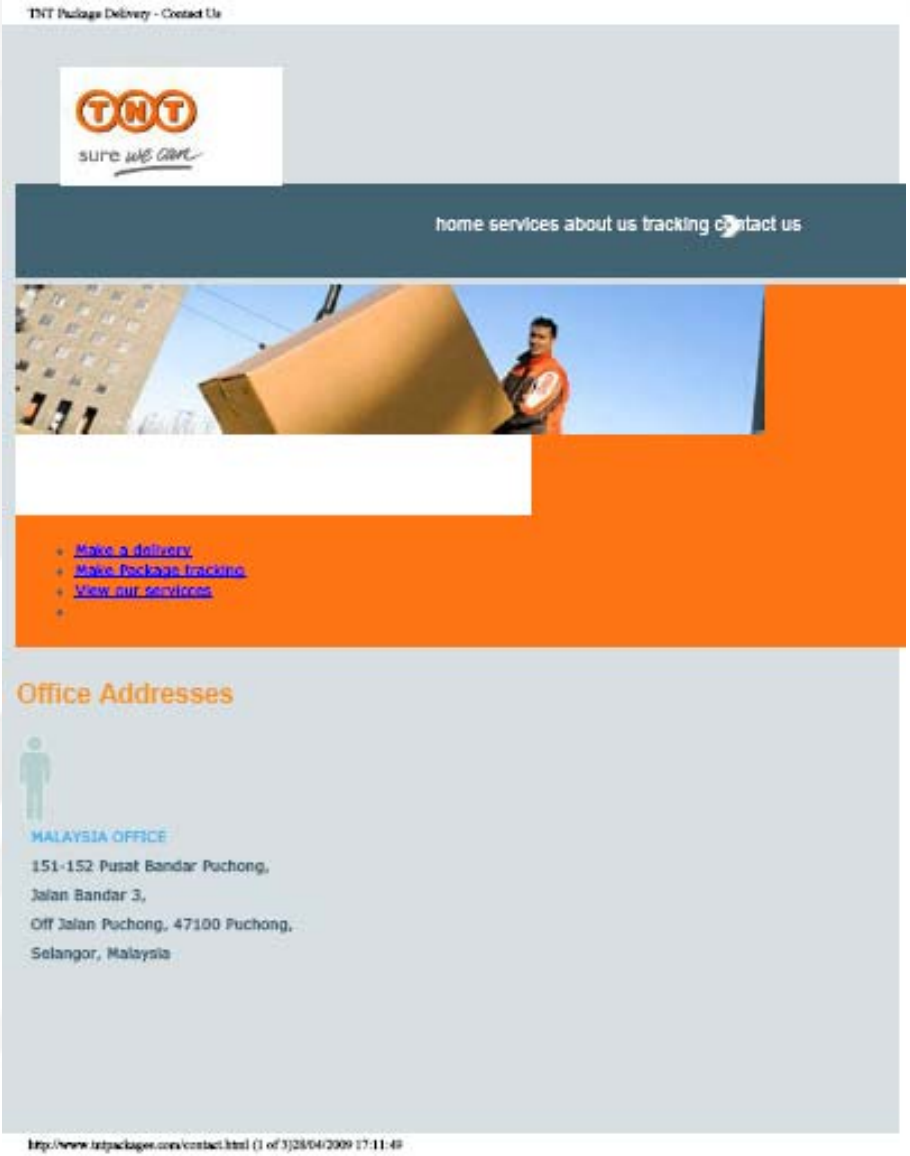
2009…….



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Equipment

Crude but effective!

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TNT Philosophy and Actions

- **“Do things right and do the right things”**

- **What has TNT done so far?**
  - Delivered an internal IPR awareness programme for its global operations community
  - Established a coded monitor of IPR finds throughout TNT operations.
  - Provided advance data to customs risk analysis/targeting mechanisms
  - Made available historical data to customs to support anti-criminal action and criminal proceedings
  - Provided controlled delivery support – people and equipment
  - Participated in key governmental and private sector initiatives
    - national
    - regional
    - global
  - New test purchase initiatives with rights holder enforcement groups 2010 and ongoing

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Towards a new approach

- **Build upon the existing actions**

- **What are we doing now and in the future?**
  - Threat of IPR is now one of 6 Pillars of TNT's Customs Strategy
  - Linking IPR with TNT CSR, Integrity, Security policies
  - Developing a code of conduct for our staff towards IPR
  - Reviewing all existing MOU's with customs administrations to include IPR
  - Investigating potential for "tri-partner MOU's"
  - Researching new strategic IPR partnerships to exchange:
    - best practice
    - training methodology/resources/aids
  - Looking for new partners
  - Converting the results of the IPR monitor into positive actions
  - Launched new IPR awareness module for all functions in TNT 2009-10

Towards a new approach

"Industry could do a lot to help themselves, were they to unite in the fight by developing collaboration and mutual assistance models on the basis of stakeholder agreements"

- **Mr. Charlie McCreevy, European Commissioner for Internal Market Services**

The Supply Chain

Representing the life of a **Customs-controlled** consignment

Export Gateway

Transit Point

Import Gateway

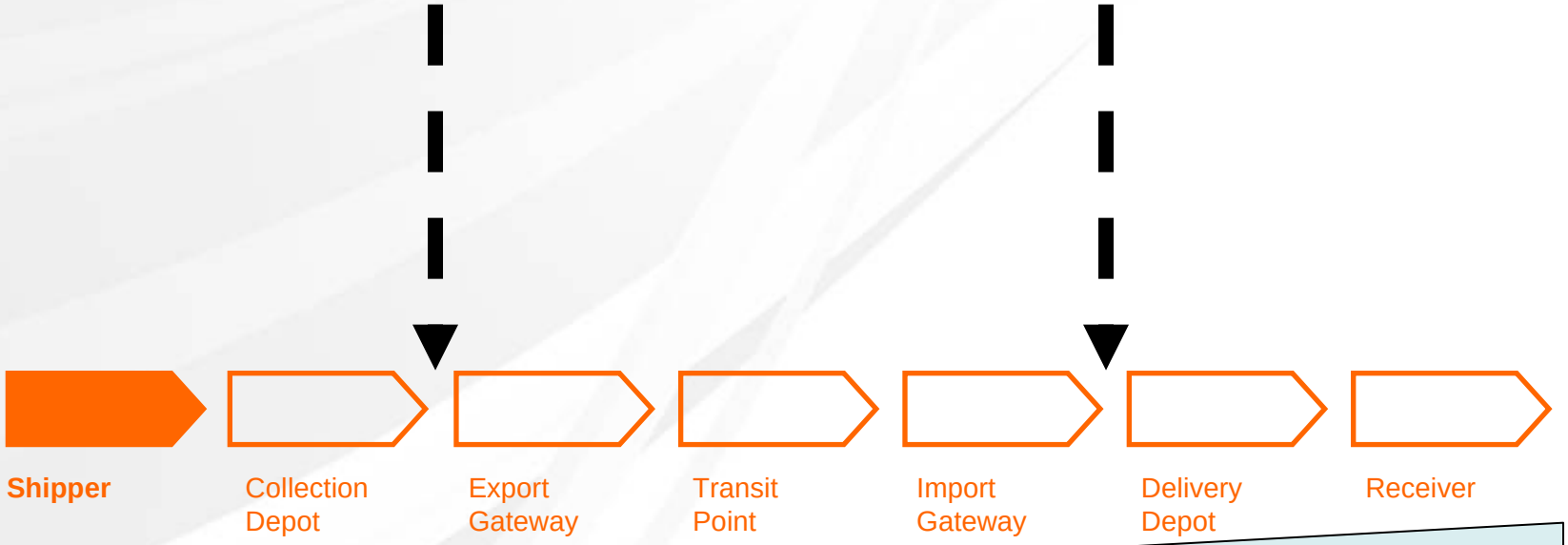
Delivery Depot

Receiver

Collection Depot

Shipper

Customs Intervention



Data Build

First in field – where next?

- TNT Express Customs Strategy
- Integrated TNT policies and Code of Conduct
- Collaboration and mutual assistance
- Stakeholder agreements – new style MOU's
- Internal IPR monitor
- IPR awareness training module
- EU Action Plan 2009 and beyond
- Risk and opportunities of EU Action Plan
  - Regulation
  - Intelligence
- Elevate level of trade collaborative models
- EU ICS from 1 January 2011

The challenge for TNT is obvious

- Cooperation to address cross-border approach must be:
  - Legal
  - Sustainable
  - Economically viable
  - Operationally non-intrusive
  - Consistent in a global context
  - Inclusive of stakeholders

Thank You

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