



**ACG REVIEW OF
HOME OFFICE NEWSLETTER REPORTS OF
INTELLECTUAL PROPERTY ENFORCEMENT AT BORDERS**

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1. INTRODUCTION

There is an international dimension to many of the UK's Serious and Organised Crime threats and border data on the arrival of goods that infringe intellectual property (IP) rights is a crucial part of our overall threat assessment. The data also feeds into UK enforcement's broader strategic focus for preventing fake goods entering the UK and feeding wider forms of serious and organised crime, which threatens our economy, security and the health and safety of our citizens.

The UK's National Crime Agency is clear that it is in the best interests of law enforcement and security to share information on all forms of illicit trade.

Many of the global challenges facing the UK stem from technology advancements that underly global communication, reliable e-commerce, and streamlined logistics. While these advancements often facilitate legitimate business opportunities, they also provide new ways for criminals to exploit gaps between legal systems and market realities.

The importance of IP as a vital fuel for our economy and growth has never been greater. This has been clearly illustrated in numerous international reports, which have revealed that UK businesses using trademarks, to protect our knowledge-based assets, contribute 38% to our overall GDP and 22% of all jobs.

Unfortunately, this crucial economic energiser has been long under attack from transnational counterfeiting networks that have engendered an insidious global hazard, that threatens consumers, local and national economies and our prized job providing businesses.

A recent report from the Organisation for Economic Development (OECD) reveals that the global trade in the counterfeiting and piracy of fake goods is worth a staggering £366 billion (\$464 bn USD) and a further study carried out by the UK IPO and the OECD has shown that the overall UK market in fake goods is worth £9.3 billion. Moreover, they estimate that we lose £1.3 billion in unpaid tax every year, from the sale of counterfeit goods, and that this figure is growing.

The most recent EU Custom's report on IP infringements, published in 2023 reveals another edge to the threat, confirming that European Customs authorities seized over 27 million fake articles and that 30% of detained items were likely to have been dangerous to consumers. The list included food and beverages, body care articles, medicines, electrical goods and toys.

Moreover, international enforcement agencies including Interpol warn that counterfeiting and piracy are now major "seed funding" resources for transnational criminals, engaged in the illicit trade of people, drugs, weapons and forced labour.

This and the increasing hazardous safety aspect mean that it is more important than ever for public and private sector experts to be joined up through a shared intelligence led focus.

1.1. Data Requirement

Without comprehensive border figures our national strategy to address the challenges presented by transnational criminal networks, is significantly undermined.

To provide a setting for the current threats from counterfeiting and piracy, Home Office Intelligence began a “shared” information policy, in May 2023, in the form of IPR Newsletters. The Newsletters have been sent to ACG and each issue provided a data picture of articles detained at UK borders.

This has been a new and welcomed approach and Home Office officials have worked closely with ACG to develop the content to provide constructive indicators. These will help to inform ACG’s international membership to better understand the scope and scale of articles detained, at UK borders, and the potential impact.

Moreover, the Newsletter content has been further developed to show: -

- how the articles arrived at the borders (transportation type)
- the location at which consignments arrived
- the type of consignment (small packages, large container traffic etc.)
- the scope and scale of articles detained (where possible - volumes by type, brand etc)
- the source “trans-shipment and/or provenance” countries (where possible)
- the value of the articles seized (where possible).

The information gathering, analysis and reporting of Newsletter content is continuing to develop and ACG is building an analytical database to capture, study and report significant findings.

It is intended that this analytical work will continue and develop to assist rights owners and their representatives to add value and better inform and help their own investigation teams, an increasingly key element of the UK’s IP enforcement mix, and Border Force Units to identify existing and emerging threats and trends.

The Newsletter data is greatly welcomed and extremely important in highlighting specific threats and trends. However, at present, the information is unlikely to provide a complete picture of the scope and scale of infringing goods, arriving at UK borders, or their accompanying dangers. Nevertheless, it provides a valuable starting point and a strong steer on how we might build upon our intelligence gathering processes to better focus our precious enforcement resources.

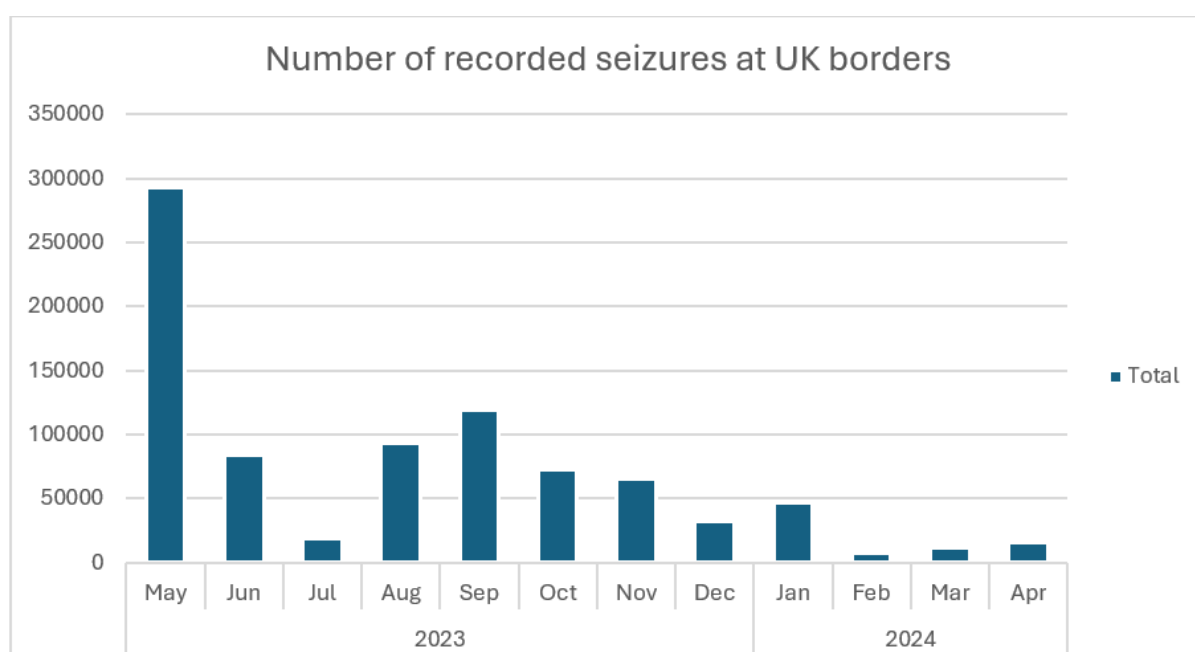
This first “draft” report covers a one-year period, from May 2023 to April 2024. It is a developing and emerging piece, and it is hoped that with greater partnership and information sharing, with Home Office Intelligence, a more comprehensive analysis report can be produced on a regular basis.

2. Analysis

2.1. Detentions

Between May 2023 and December 2023, 778,405 IP infringing articles were reported to have been detained at UK Borders. From January 2024 to the end of April 2024 a further 81,713 articles were detained.

The total reported detentions, in the IPR Newsletters, for the year, was 860,118 items. The following chart shows this by month. It reveals both peaks and troughs.



From May to November 2023 seizures were constantly above 50,000 per month, apart from July 2023. From the chart we can also see that May 2023 was the only month that exceeded the average for detentions and by a substantial ratio. This was mainly due to the detainment of “other tobacco” items.

The total items detained during this (2023) 7-month period was 745,876. This was almost 87% of all detentions made during the reporting year.

Across the whole year the average monthly detainments were over 97,000, However, this figure was again skewed by the volume of detentions in May 2023.

From the end of December 2023 to April 2024 detentions fell to just under 23,000, compared to the overall average of almost 59, 000.

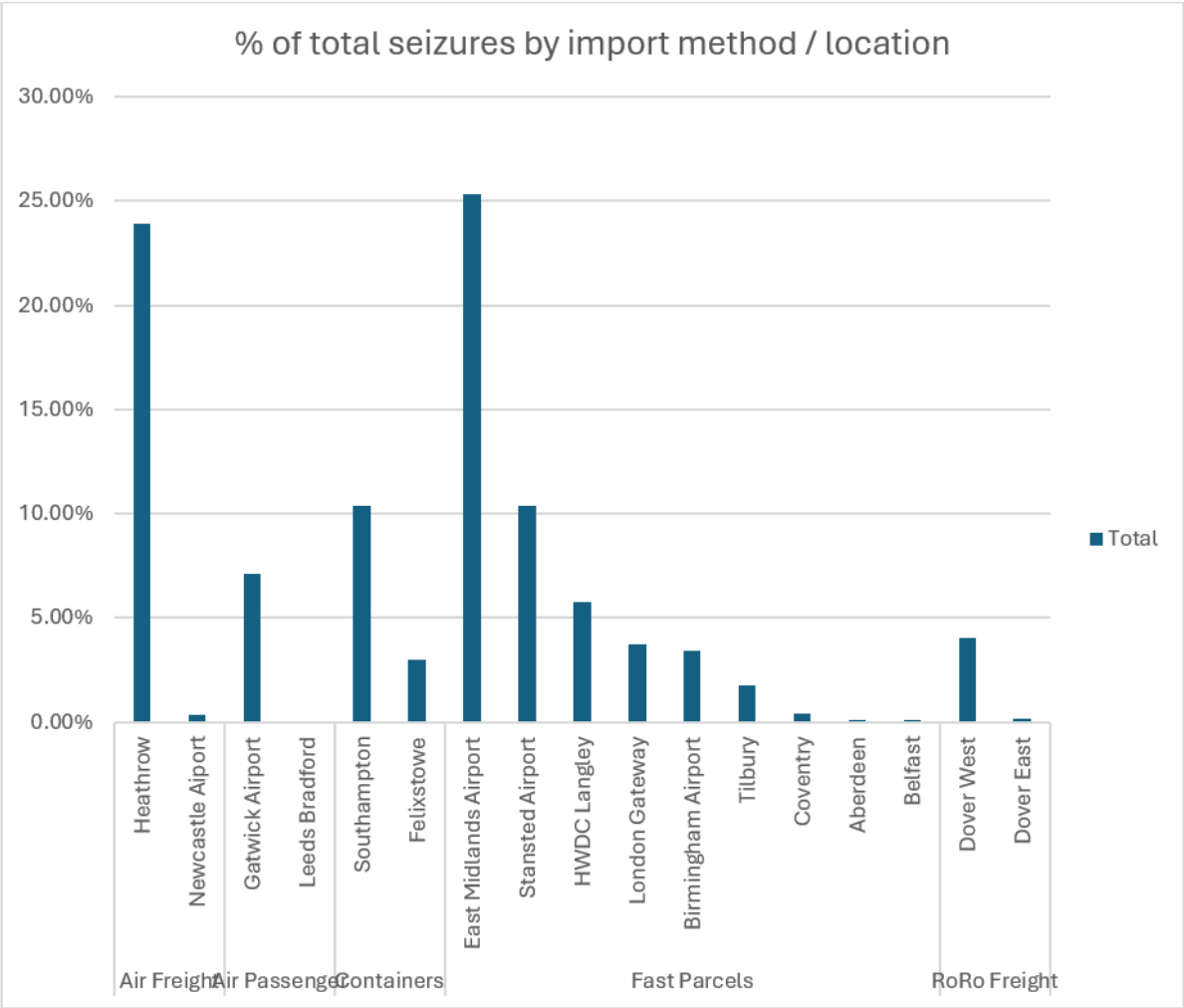
The 2024 average number of detentions has so far been just over 20,000 and a rise in line with 2023 might be expected, if the 2023 pattern proves to be the norm.

2.2. Import Methods and Source Countries

Reported import methods used by counterfeiters were:

Air Freight/Cargo; Air Passenger; Container Traffic (maritime); Fast Parcels and Roll-on Roll-off Freight. (Please see Annex B for definitions).

The following chart reveals how the various forms of input methods were used and where they feature.



From this next chart we can see that Air traffic is the predominant focus for Border Force officers as counterfeiters have a clear focus on this mode of conveyance as a result of the high growth in online purchasing. Heathrow, Newcastle, Gatwick, East Midlands, Stanstead and Birmingham airports have all been the subject of seizure actions.

31.4% of all articles detained, resulted from air freight and air passenger traffic. However, the highest levels of action relate to those focused on fast parcels, to which can be added

another 50% of articles detained at airports and postal hubs. Overall, East Midlands airport and Heathrow appear to be the main targets for counterfeiters and subsequent Border Force action.

It should be noted that Border Force has a national Fast Parcel Targeting Team, which could explain the high focus on actions related to small consignments. This team is based at East Midlands Airport but covers fast parcel arrivals at all destinations.

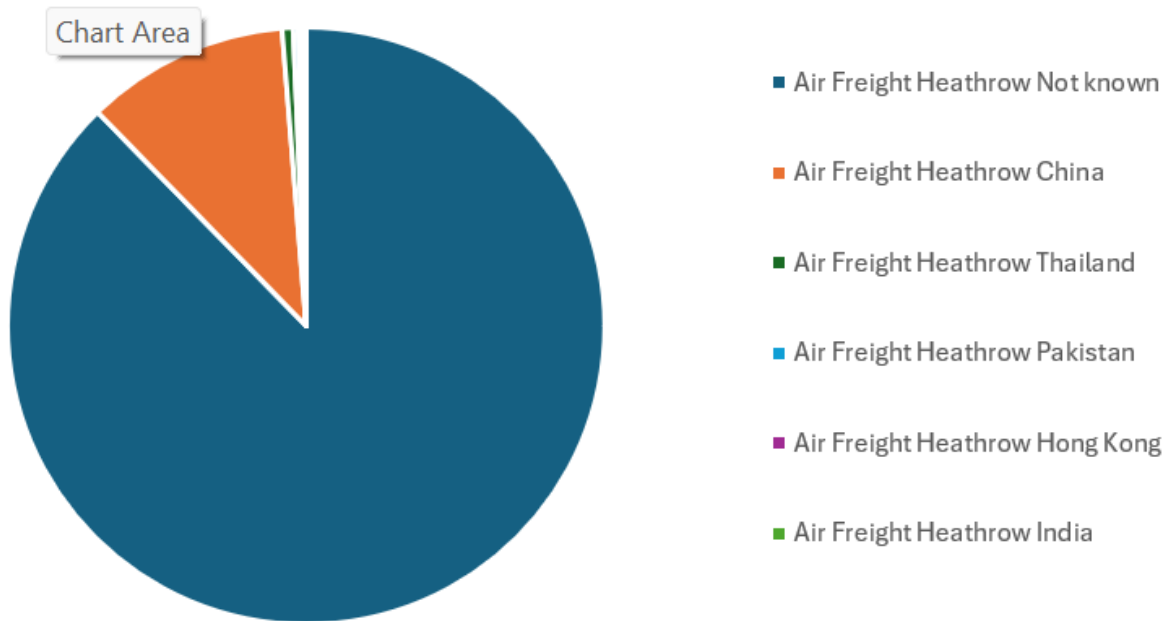
The Newsletter data further reveals that 13.3% of articles were detained at Felixstowe and Southampton. These arrived in maritime containers. An additional 4.2% of detainments were made from roll on roll of traffic.

All of this underscores a heavier focus of actions against small parcel consignments.

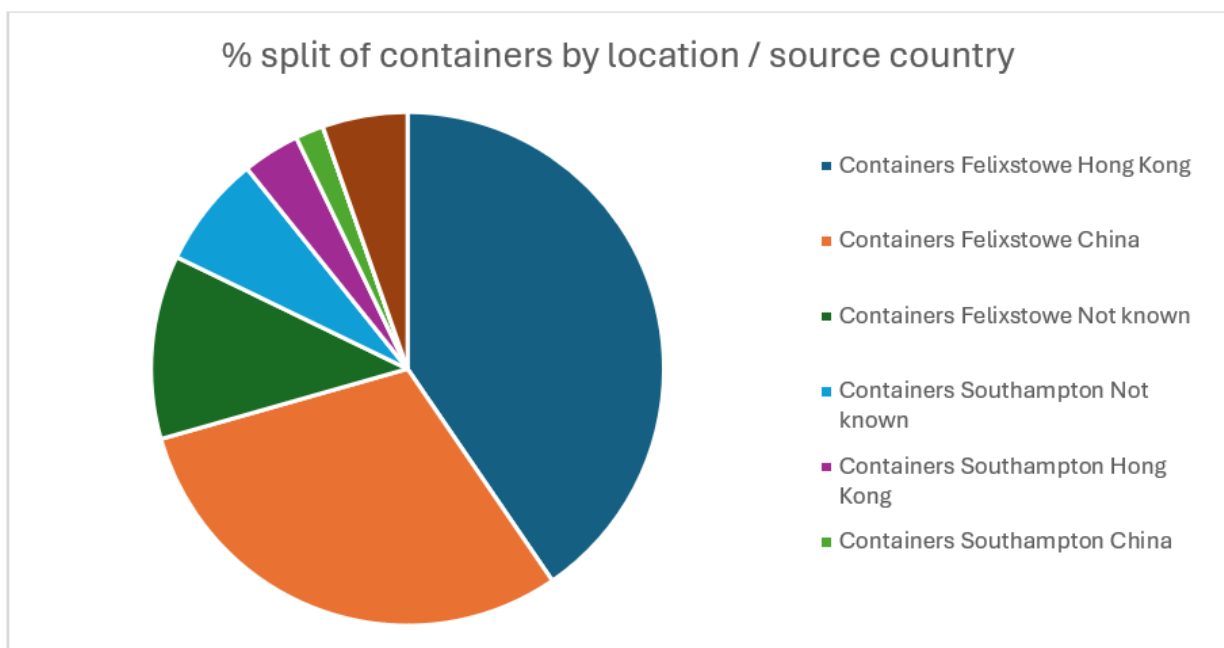
However, considering the excessive scale of infringing goods on sale in the UK, there is a view that the concentration given to small parcels in air freight etc. is unbalanced, as there is little potential for this form of trade to have the capacity to feed notorious large inland markets throughout the country.

The following chart shows the proportion of detainments at airports. Whilst Newcastle, Edinburgh, Aberdeen and Stanstead are all covered in the Newsletters, Heathrow comprises of 99.87% of data reported. It should be noted that the Newsletters also reveal that the highest proportion of articles detained had no revealing indications of source and provenance countries (“not known”). It is unsurprising that China was the highest proportion (4%) where identities could be identified.

% split of air freight by location / source country

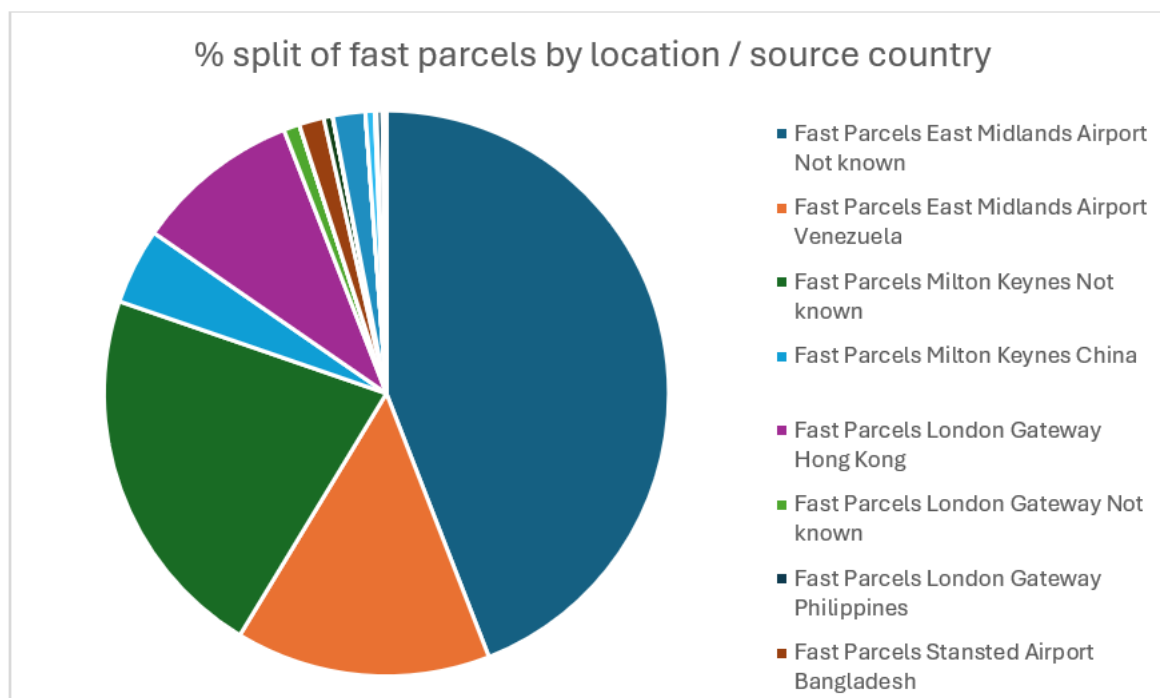


The following charts show the same data for container traffic.



The revealing aspect is that identities of source and provenance, providing the highest levels of counterfeits, are more identifiable in container traffic. Hong Kong and mainland China provide the highest proportions. This suggests that maritime traffic requires and provides a higher level of certification, than other forms of transport.

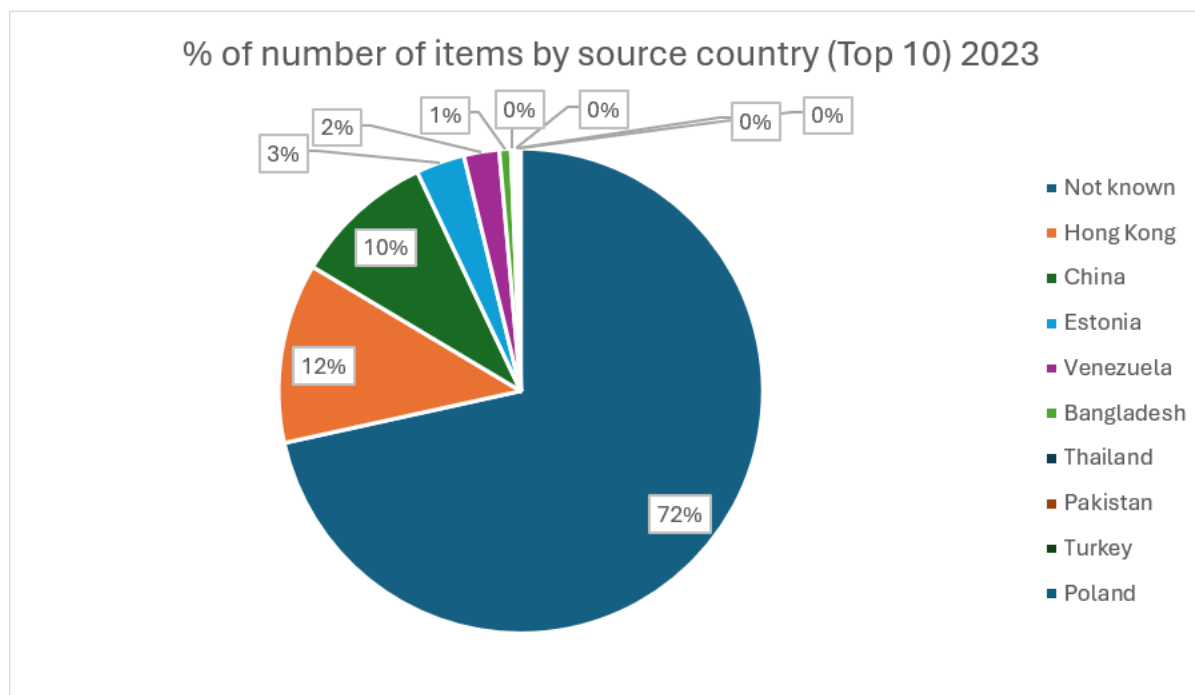
Fast parcels reveal a more diverse proportion of origin.



Again, unidentified source and provenance countries occupy the highest proportion of detentions, in relation to small and fast parcel cargo, (68%) and China and Hong Kong make up the highest individual percentages. Bangladesh and Philippines both show up, but it is revealing that 14% of articles detained at East Midlands Airport arrived from Venezuela (*items recorded as other goods*). In addition, Estonia appeared high on the list for fake sports shoes. However, it is unclear about whether this was a focused detainment operation driven by specific risk assessment, or an ad hoc” ex officio” action.

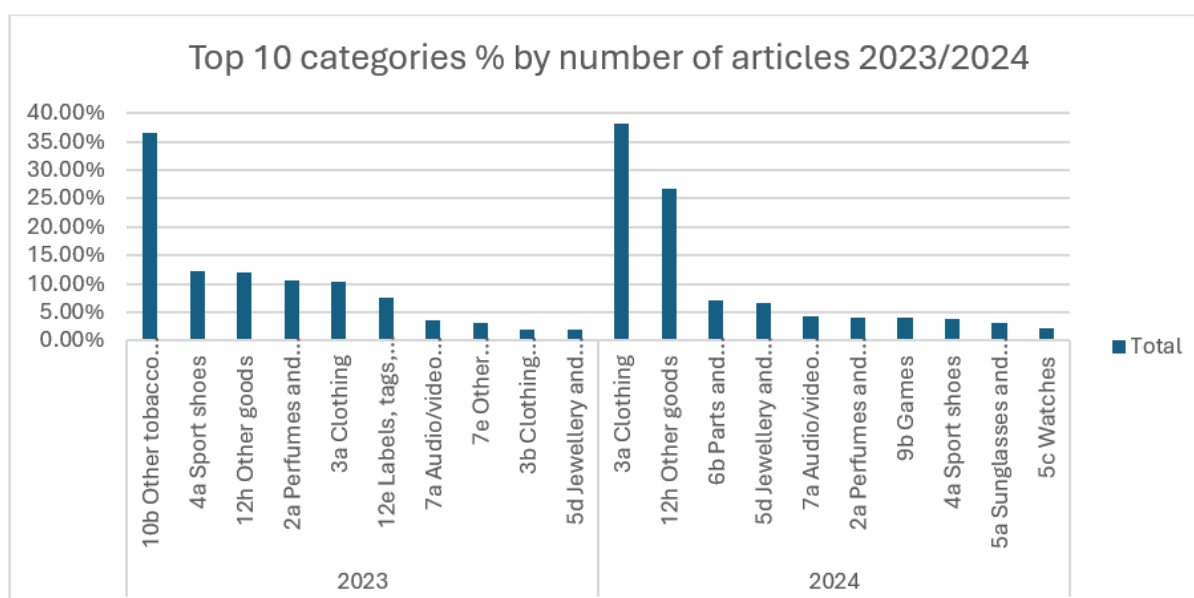
To conclude the analysis of source and provenance countries, the following table and chart show that, overall, 71.6% of articles detained, revealed no record of origin.

• Not known	71.6%	556403
• Hong Kong	12.0%	93270
• China	9.4%	73167
• Estonia	3.3%	25272
• Venezuela	2.4%	18350
• Bangladesh	0.8%	5991
• Thailand	0.2%	1691
• Pakistan	0.2%	1275
• Turkey	0.1%	1121
• Poland	0.1%	1000



2.3. Articles Detained

The highest levels of detentions over the reporting period, were for clothing and tobacco related items. However, there were variances during the reporting period. It also reveals that the affected product sectors, differed significantly in 2023 compared to 2024.



In 2023, 36% of “identified” articles detained were tobacco items. Sports shoes (12%), perfumes (11%) and clothing (10%) made up the highest other proportions. Alongside these, the combination of audio, video and other electrical products were almost 7% of detentions.

So far, in 2024, clothing has occupied the highest level of “identified” detentions (38%), parts and technical accessories for mobile phones appears on the detention list (7%) as does jewellery and accessories (6.5 %), Audio/video apparatus including technical accessories and parts (4%) Perfumes and Cosmetics (4%). Sports shoes drops to just under 4%.

In the analysis we have also considered detentions by type and source countries.

A full chart appears at the end of this report, and we have highlighted some of the key components in the following paragraphs

Once again “Other” proved to be highest product type, with 268,000 articles. In many cases this is likely to be down to the volume and range of products contained in large/maritime consignments, which would be too difficult and too resource intensive to analyse. However, it is also likely to be down to the fact that export shipping papers, for items’ originating source countries, will have not been provided.

The main category of items is “Other tobacco products”. In this it is worth noting that the internationally accepted description of “other tobacco products” covers hand rolling tobacco, cigars and other tobacco products (including pipe tobacco, shisha tobacco and chewing tobacco). As such it does not cover “vapes and e-cigarettes.

• Other tobacco products	268428
• Other goods	82360
• Perfumes and cosmetics	57680
• Clothing	51969
• Labels, tags, stickers	50200
• Audio/video apparatus including technical accessories and parts	17578
• Clothing accessories	13597
• Jewellery and other accessories	12565

Unsurprisingly China is the major source country, with the widest range of items of arrival the top ranges detained included.

• Clothing	31216
• Other electrical/electronic equipment	21939
• Perfumes and cosmetics	16172
• Audio/video apparatus including technical accessories and parts	10665
• Sport shoes	3828
• Games	3156
• Parts and technical accessories for mobile phones	3011
• Watches	2851
• Textiles	2085
• Labels, tags, stickers	1075

Hong Kong is next with an equally wide range of detained items, the highest of which were:

• Sport shoes	56819
• Perfumes and cosmetics	6632
• Bags	6550
• Toys	5760
• Labels, tags, stickers	5700
• Jewellery and other accessories	5615
• Parts and technical accessories for mobile phones	4401
• Other body care items	3620
• Sunglasses and other eyeglasses	2542
• Watches	2299
• Audio/video apparatus including technical accessories and parts	1970
• Other electrical/electronic equipment	1447
• Clothing	1153
• Mobile phones	582
• Vehicles including accessories and parts	561

As highlighted above, some surprises stood out including Estonia as a source country for sports shoes (25,272 detained) and Venezuela for a range of items. Turkey's figures are lower than could be expected for a country highlighted by the OECD as being the third most commonplace source country in the world. This this may be due to the fact that many consignments fell into the "unidentified source" category or were carried, via the EU, in small vehicles. As a result, it is more likely that they would have avoided suspicion and inspection.

Recorded goods arriving from Turkey included:

• Clothing	3917
• Other goods	165
• Perfumes and cosmetics	138
• Sport shoes	91
• Toys	60
• Bags	54
• Clothing accessories	38
• Non-sport shoes	14
• Jewellery and other accessories	5
• Sunglasses and other eyeglasses	1

MEMBERS NOTE: Please note that ACG can create charts and tables of detainments by most members brands, provided these have been recorded by Border Force.

2.3.1. Articles Detained – Potentially Dangerous

During the analysis ACG identified a cluster of detained articles that are most commonly accepted as being potentially dangerous to consumers. The list included: -

- Other electrical/electronic equipment
- Perfumes and cosmetics
- Audio/video apparatus including technical accessories and parts
- Parts and technical accessories for mobile phones
- Other body care items
- Sunglasses and other eyeglasses
- Vehicles including accessories and parts
- Toys
- Other tobacco products

Of all detained products reported in the Newsletters, the above list reveals that 48% could be classified as dangerous. Of these, other tobacco products (31%), perfumes, cosmetics & body care (3%) and electrical goods and equipment (4%) were the highest proportion of detainments in this grouping. Although the percentage of fake toys was lower than other articles in the potentially unsafe category, it should be noted that over 7,000 were uncovered.

Moreover, it should be borne in mind that a very high proportion of overall detentions related to “other products” and many of the above items could also have appeared in this category.

2.4. Conclusions

The arrival of the Home Office Intelligence, Monthly Newsletters has been an extremely helpful development. The data contained in the reports has assisted in providing an outline of the scope and scale of counterfeits arriving at UK borders and which countries provide the clearest threats. Furthermore, there are indications about how transnational counterfeiters target the UK, how the goods arrive and their favoured destinations.

At present it is not clear if all border ports and locations are providing data and there are clear differences and gaps in the way that data is reported. An evident problem is the volume of goods that arrive from “unknown” sources and the varying methods employed to record, analyse and report consignment data.

In this respect, a clear benefit would be to understand the processes employed for identifying and recording source and provenance countries for all suspect shipments.

The volume of dangerous counterfeits is a growing threat across the world and there is a need to build a clearer perspective in the reporting system. The OECD has completed key work on this, and the goods of greatest risk could be recorded as a more identifiable category. In this, it would be particularly useful for ACG and Border Force to work in partnership to develop a list of emerging and “dangerous” trends, such as counterfeit vapes and e-cigarettes.

As with many European and third countries, the volume and breadth of fake goods on sale throughout the UK is high and growing. This is illustrated by the huge quantities of

counterfeits being seized by Trading Standards and police. Once again, it is very unlikely that the broad and extensive scope and scale of fakes, at major UK inland markets, online, and at other key UK outlets, can be served by small packages arriving by air and fast parcel courier services. As a result, data provided in the Newsletter suggests that a focus on maritime consignments could be a more effective deterrent and disruption strategy.

Furthermore, we believe that a report, such as this, should be shared with Trading Standards and police on a regular basis to help provide a more-informed focus for inland action.

ACG members recognise that Border Force is under pressure from a wide range of priorities and stretched resources. Therefore, members believe that, the continuance and development of the Newsletter reporting initiative could help to steer our highly prized Border Force and inland enforcement teams towards existing and emerging national threats.

ACG is keen to help with this by providing analysis reports, sharing the findings and supporting action. Therefore, ACG would be keen to work with Border Force to enhance and develop the Newsletter content and would be interested in working to provide additional information, from our members, which could supplement the Newsletters, to provide wider indications of volumes and risks etc.

Annex A

Source Country	Product Type	Sum of Number Items
Albania	5c Watches	1
Andorra	3a Clothing	234
Bangladesh	3a Clothing	15532
	3b Clothing accessories	231
	5b Bags	1
Chile	4b Non-sport shoes	246
China	3a Clothing	31216
	7e Other electrical/electronic equipment	21939
	2a Perfumes and cosmetics	16172
	7a Audio/video apparatus including technical accessories and parts	10665
	12h Other goods	8544
	4a Sport shoes	3828
	9b Games	3156
	6b Parts and technical accessories for mobile phones	3011
	5c Watches	2851
	12f Textiles	2085
	12e Labels, tags, stickers	1075
	12g Packaging materials	610
	5b Bags	551
	2b Other body care items	400
	4b Non-sport shoes	278
	7b Memory cards	210
	10b Other tobacco products	105
	5a Sunglasses and other eye-glasses	30
	3b Clothing accessories	22
	5d Jewellery and other accessories	5
Egypt	3a Clothing	2
Estonia	4a Sport shoes	25272
Ethiopia	3a Clothing	5
Greece	7e Other electrical/electronic equipment	25
Hong Kong	4a Sport shoes	56819
	2a Perfumes and cosmetics	6632
	5b Bags	6550
	9a Toys	5760
	12e Labels, tags, stickers	5700
	5d Jewellery and other accessories	5615
	6b Parts and technical accessories for mobile phones	4401
	2b Other body care items	3620
	5a Sunglasses and other eyeglasses	2542

	5c Watches	2299
	7a Audio/video apparatus including technical accessories and parts	1970
	7e Other electrical/electronic equipment	1447
	3a Clothing	1153
	6a Mobile phones	582
	12b Vehicles including accessories and parts	561
	3b Clothing accessories	426
	12g Packaging materials	402
	4b Non-sport shoes	189
	12h Other goods	184
	9c Sporting articles	80
	(blank)	2
India	5b Bags	285
	5c Watches	1
Iran, Islamic Republic Of	3a Clothing	12
Italy	5b Bags	12
Morocco	3a Clothing	85
	5c Watches	2
	5b Bags	1
Netherlands	3a Clothing	19
	12h Other goods	3
	4b Non-sport shoes	2
Nigeria	3a Clothing	2
Pakistan	3a Clothing	1625
	12h Other goods	15
	5b Bags	5
Philippines	5b Bags	49
	3b Clothing accessories	4
	12h Other goods	4
	12f Textiles	1
Poland	2a Perfumes and cosmetics	1030
Qatar	5c Watches	
Thailand	5d Jewellery and other accessories	1000
	3a Clothing	683
	5b Bags	7
	4b Non-sport shoes	4
	5c Watches	2
Turkey	3a Clothing	3917
	12h Other goods	165
	2a Perfumes and cosmetics	138
	4a Sport shoes	91
	9a Toys	60
	5b Bags	54
	3b Clothing accessories	38
	4b Non-sport shoes	14
	5d Jewellery and other accessories	5
	5a Sunglasses and other eye-glasses	1
United Arab Emirates	5c Watches	9

	4b Non-sport shoes	1
	3a Clothing	1
	4a Sport shoes	1
Venezuela	12h Other goods	18350
Virgin Islands, U.S.	3a Clothing	1
Not known	10b Other tobacco products	268428
	12h Other goods	82360
	2a Perfumes and cosmetics	57680
	3a Clothing	51969
	12e Labels, tags, stickers	50200
	7a Audio/video apparatus including technical accessories amd parts	17578
	3b Clothing accessories	13597
	5d Jewellery and other accessories	12565
	4a Sport shoes	6406
	12g Packaging materials	6101
	5c Watches	3546
	5b Bags	1971
	2b Other body care items	1600
	9a Toys	1200
	7d Computer equipment	1000
	6a Mobile phones	435
	5a Sunglasses and other eye-glasses	255
	12b Vehicles including accessories and parts	188
	4b Non-sport shoes	64
	7e Other electrical/electronic equipment	40

ANNEX B

Definition of Import Methods

Air Freight = Cargo Planes

Air Passenger = Commercial/Passenger Planes

Container = Maritime traffic

Fast Parcels express courier = postal mail

Roll-on Roll-off traffic = trucks, cars, semi-trailer trucks, trailers, and railroad cars