

Online commerce has become a major distribution channel for fake goods

- **More than 50% of counterfeit goods seized at the EU borders stem from online commerce.**
- **Over 75% of seized counterfeit goods from e-commerce come from China.**
- **Perfumery and cosmetics, pharmaceutical products and sunglasses are the main counterfeited products sold online.**

The new EUIPO-OECD study released today [‘Misuse of e-commerce for trade in counterfeits’](#) confirms that online commerce¹ is fuelling trade in fake goods and is becoming the main enabler for distribution of counterfeit products. It analyses data from custom seizures of goods at the external borders of the European Union (EU) and looks at **how counterfeit goods end up in the hands of consumers.**

Online commerce has been growing rapidly in recent years, a trend that accelerated during the COVID-19 pandemic. The bulk of online commerce worldwide is business-to-business, 82% of total value, with business-to-consumer accounting for the remaining 18% (2019).

As with other tools of the modern economy, online sales are increasingly misused for the distribution of fakes. According to data on detentions of counterfeit products², **56% of custom seizures at EU borders involve e-commerce.**

The study also shows that the value of the detentions related to counterfeit goods sold online is much lower than those which do not come via e-commerce and are instead shipped in containers using various transport modes (road, rail, air and sea). Online sales seizures represent only 14% of the total value of detentions compared to 86% of detentions related to goods shipped by container. However, some of these goods shipped by container are destined for distribution centres in the EU, from which they are in turn shipped to consumers who have purchased them online. This could indicate that the real role of e-commerce in trade in counterfeits is considerably more important.

Transport modes and provenance countries for counterfeits are also analysed, with **parcel services dominating all customs detentions at EU borders.** Considering the origin of the

¹ This report examines the misuse of business-to-business and business-to-consumer online commerce to distribute counterfeit goods.

² Descriptive statistics based on 2017-2019 data on seizures of counterfeit goods imported into the EU.



goods traded online, **China sits at the top with more than 75%** of seizures of counterfeit goods, followed by Hong Kong at 5.7%, Turkey (5.6%) and Singapore (3.3%). China is also a dominant provenance country when we look at the value of counterfeit goods purchased online, with a share of 68%.

Use of e-commerce varies with the type of counterfeit products. **Perfumery and cosmetics (75.3%) pharmaceutical products (71.9%) and sunglasses (71.3%)**, are the products with the highest share of detentions linked to online purchase.

Impact of the COVID-19 pandemic

The current trend towards online commerce has accelerated as a result of the COVID-19 pandemic. In 2020, while overall retail sales declined in most countries, online sales worldwide grew by more than 20% compared to 2019.

Law enforcement officials have reported, in addition to increased opportunities for the dissemination of counterfeits, a huge shift towards cybercrime, with criminals taking advantage of people working at home with a less secure infrastructure to commit various types of electronic frauds. These include outright scams where the consumer pays for a product but never receives anything, attempts at identity theft, phishing or cybercurrency investment fraud, among others.

During the pandemic, e-commerce has become the main channel for illicit medical products, including fake and substandard ones, such as test kits and other goods related to the pandemic.

The Executive Director of the EUIPO, **Christian Archambeau**, said:

E-commerce has enhanced consumer choice, and offered businesses new, flexible ways of market access. At the same time, there is ample evidence that the online environment has also attracted bad actors, who pollute e-commerce distribution channels with fakes. The EUIPO is working hand in hand with a number of e-commerce marketplaces, right holders and institutional partners to help tackle online infringements of intellectual property rights.

Small parcels

One key trend analysed in the study is the **boom in trade in small parcels**, providing a means for businesses to ship directly to consumers. In the five-year period from 2015 to 2019 alone, parcel traffic rose by more than 70%, reaching to 21.3 billion items worldwide in 2019. Small parcels sent by post are an attractive distribution channel for illicit trade networks, too. These small shipments lower the potential losses that result from seizures. While counterfeits trafficked by container ships clearly dominate in terms of value, the small parcels route is growing and is the largest in terms of number of seizures.



In the EU, counterfeiters are increasingly targeting consumers in the online environment. When looking at custom seizures related to e-commerce, over **90% of them are shipped into the EU in small parcels.**

Note to editors

The EUIPO, through the European Observatory on Infringements of Intellectual Property Rights, and together with the Organisation for Economic Co-operation and Development (OECD) publishes studies and research on the global trade in counterfeit and pirated products, analysing the impact on the economy, and the share of international trade affected by this phenomenon.

This latest study is the ninth such joint EUIPO-OECD studies. In the preceding studies, the overall scale of the worldwide trade in counterfeit goods has been analysed, as well as specific issues such as trade routes used to ship counterfeits to the EU, the role played by Free Trade Zones, the misuse of container transport to ship counterfeit goods, and the extent and impact of trade in counterfeit medicines. All the reports are available on the [Observatory website](#).

ABOUT THE EUIPO

The [European Union Intellectual Property Office](#) (EUIPO) is a decentralised agency of the EU, based in Alicante, Spain. It manages the registration of the European Union trade mark (EUTM) and the registered Community design (RCD), both of which provide intellectual property protection in all EU Member States. The EUIPO also carries out cooperation activities with the national and regional intellectual property offices of the EU.

The [European Observatory on Infringements of Intellectual Property Rights](#) was established in 2009 to support the protection and enforcement of intellectual property rights and to help combat the growing threat of intellectual property infringement in Europe. It was transferred to the EUIPO on 5 June 2012 by Regulation (EU) No 386/2012 of the European Parliament and of the Council.

[More information](#) on the Organisation for Economic Co-operation and Development (OECD).

Media contact

EUIPO Communication Service

Tel.: +34 653 674 113

press@euipo.europa.eu

