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Hamisítás Elleni  
Nemzeti Testület

# Collaboration in the fight against counterfeiting in Hungary

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President of the Hungarian Patent Office

Vice-President of the National Board Against Counterfeiting

Joint Plenary Meeting of the  
EU Observatory on Counterfeiting and Piracy  
Madrid, June 10th, 2010

Cooperation of the public and the private sector



## Establishment of the National Board Against Counterfeiting (NBAC) in 2008

- Consultative and advisory body
- Mission of the NBAC: **promote effective cooperation** between public bodies and social and economic interest organisations in the field of intellectual property protection
- Secretariat of the NBAC: Hungarian Patent Office

# National Strategy Against Counterfeiting

- **Duration**
  - for the years 2008–2010
- **Adopted**
  - by the **Hungarian Government** on 1 October, 2008
- **Objective**
  - To reduce the rate of IPR infringement
  - Develop more effective measures against infringements
  - Raise public awareness
- **Main pillars of the Strategy:**
  - **Statistics (measurement issues)**
  - **Awareness raising**
  - **Enforcement of IPRs**
- **Industries** of paramount importance :
  - Food industry
  - Pharmaceutical and insecticide industries
  - Creative and IT industries

# Activity of the NBAC

## Statistics (measurement issues)

The NBAC is the national catalyst of statistical methodological R&D activities related to counterfeiting

### ■ **Methodology**

- Study on measurement methods of the magnitude, scope and the economic impact of counterfeiting and piracy → basis for the Hungarian methodology

### ■ **Official data sources**

- Collection and systematisation of the judicial statistical data
- Analysis of the data with the cooperation of the National Institute of Criminology

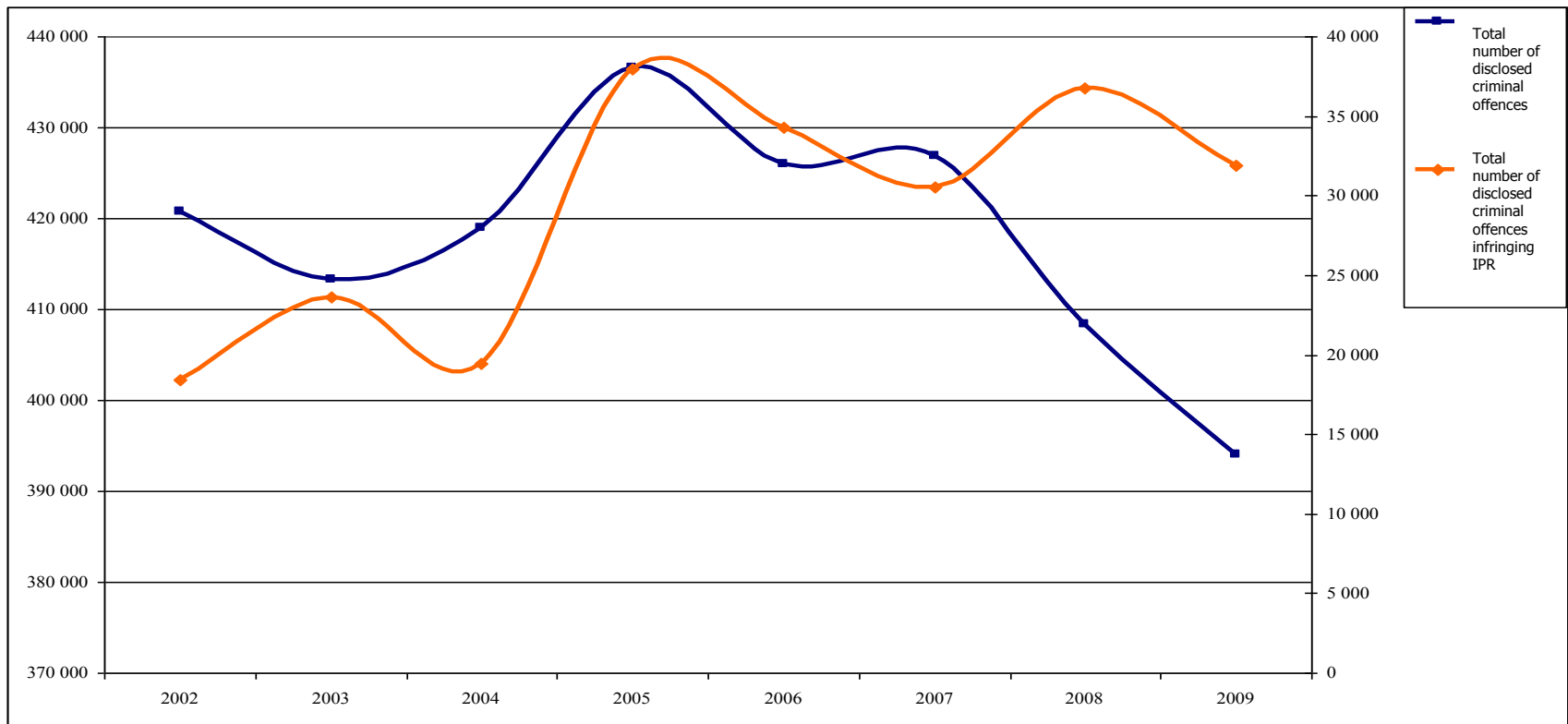
### ■ **Consumer surveys**

- **2009** – on consumer attitudes towards counterfeiting
- **2010** – on consumer attitudes and concrete behaviour
- **2010** – online, regarding medicine counterfeiting, buying medicine via Internet

# IPR Infringement – in view of the judicial statistics

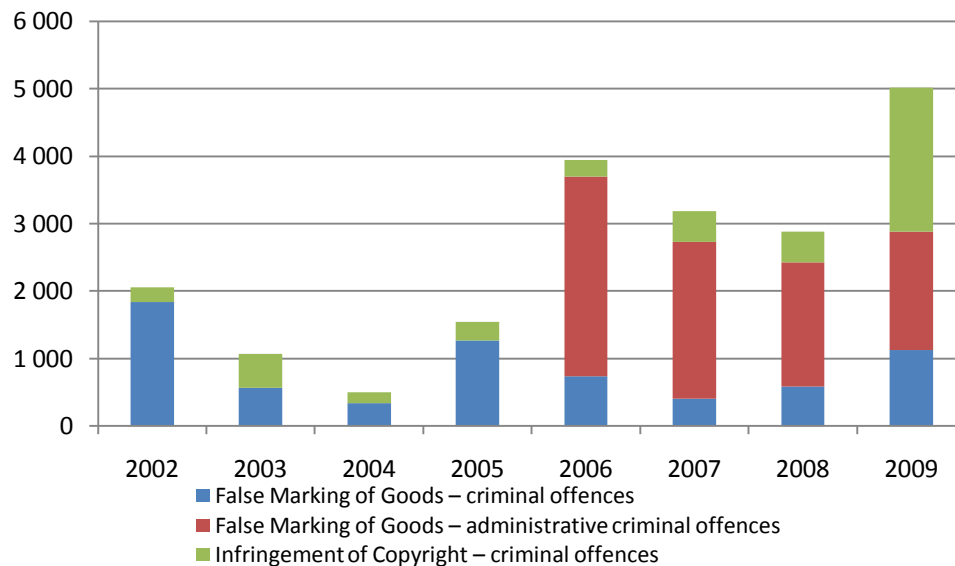
- Judicial statistics (enforcement information, seizure statistics) – „tip of the iceberg”
- Working Group of the NBAC on Statistics: Selection and collection of judicial statistical data related to the infringement of IPR in Hungary for the period 2002-2009;
- Criminal Statistical Analysis prepared by the National Institute of Criminology and six criminal offences examined
- Objectives :
  - Collect information about IPR infringement trends in Hungary
  - Submit proposals on the development of the judicial statistical data reporting system

# Changes in the total number of criminal offences and in the number of criminal offences involving the infringement of IPR, 2002-2009



Source: Unified System of Criminal Statistics of the Investigative Authorities and of Public Prosecution (ENYÜBS), National Institute of Criminology (OKRI)

# Number of IPR infringements discovered by the Hungarian Customs and Finance Guard („Seizure statistics“), 2002-2009



No. of infringements	2002	2003	2004	2005	2006	2007	2008	2009
False Marking of Goods – criminal offences	1 839	565	338	1 266	735	401	582	1 129
False Marking of Goods – administrative criminal offences	no data available	no data available	no data available	no data available	2 965	2 328	1 849	1 753
Infringement of Copyright – criminal offences	214	503	164	276	245	457	450	2 140
<b>Total</b>	<b>2 053</b>	<b>1 068</b>	<b>502</b>	<b>1 542</b>	<b>3 945</b>	<b>3 186</b>	<b>2 881</b>	<b>5 022</b>

# Hungarian Consumer surveys – 2009, 2010

- Consumer survey on counterfeiting and piracy initiated by the NBAC
- Pioneering project in Hungary
- Involvement of TÁRKI, an independent Social Research Institute.
- The representative nationwide survey based on a review of 1000 Hungarian consumers was conducted for the first time in Hungary
  - What kind of counterfeit products do Hungarian consumers buy?
  - What do they think of counterfeits?
  - What motivate them to buy counterfeits?
  - How much do they know about the social impacts of counterfeiting?
  - What do they think about the punishments inflicted for counterfeiting?

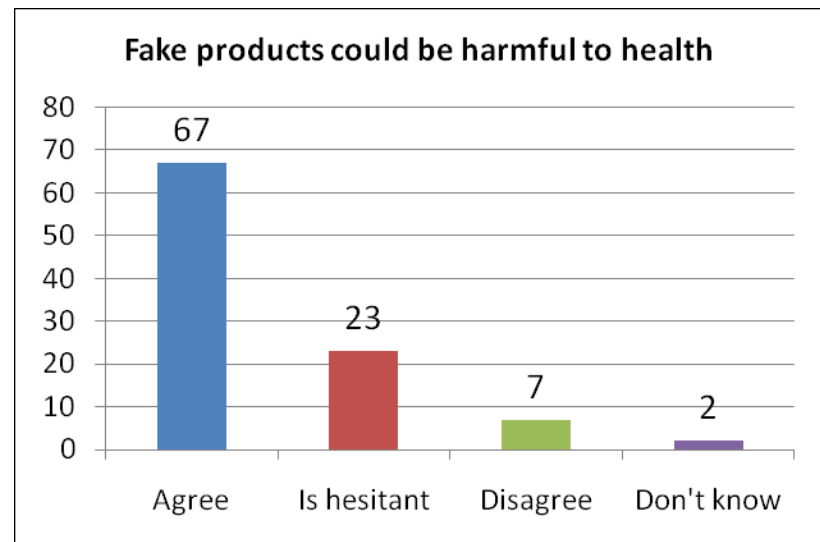
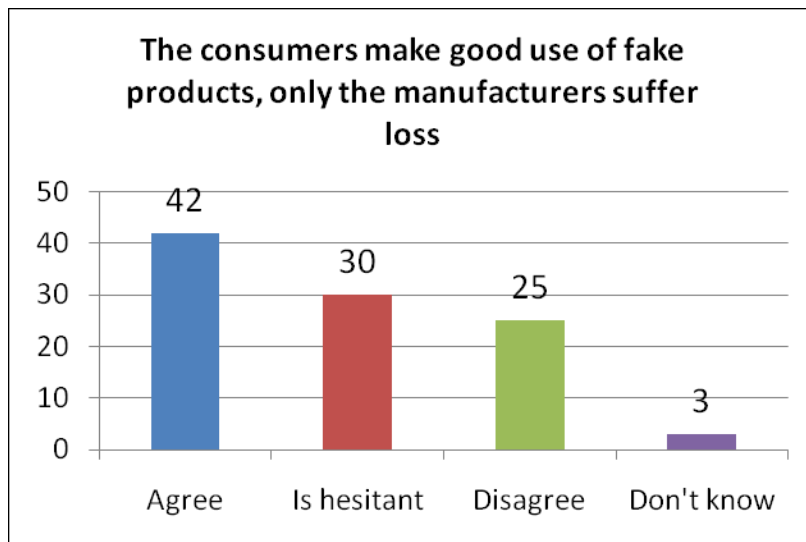
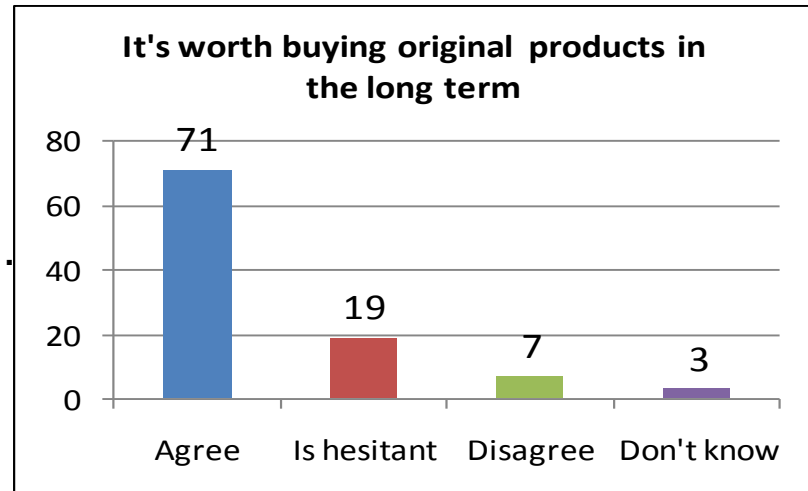
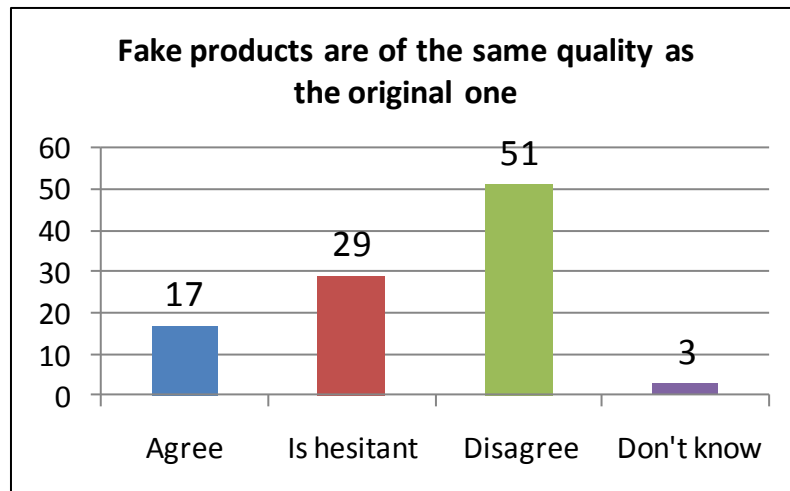


# Consumer attitudes in Hungary (2009)

Which fake products are bought by the Hungarian consumers? (%)

Product	Yes, at any time	Maybe	No	Don't know
Clothing	29	38	32	1
Cosmetics	15	25	59	1
CD/DVD	15	25	59	1
Software	12	21	64	3
Foodstuff	2	10	87	0
Medicines	1	6	92	0

# Consumer attitudes towards Counterfeiting



# Enforcement

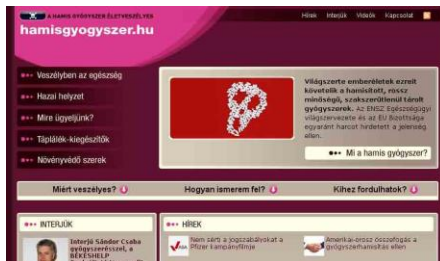
- Training of the staff of law enforcement bodies
  - „Cooperation of enforcement bodies in criminal proceeding relating to copyright infringement” one-day conference both in 2009 and 2010
  - Education of Intellectual property protection in the Police College from 2009
  - Training sessions on copyright for police officers in each county of Hungary



- Fight against Internet Piracy
- Copyright Database
- Fight against Medicine Counterfeiting
  - Drug database of the National Institute was supplemented with photos of the pharmaceuticals
- Fight against counterfeiting of pesticides and veterinary medicinal products

# Awareness raising

- **Daily newsletters** on the topic of counterfeiting and piracy;
- **Distribution of flyers and labels at retailers of consumer electronics** against illegal downloading;
- **Applied art competition for secondary school students;**
- **Online campaign addressing the youth**
- **Campaign on the risks of medicine counterfeiting**
  - Both in 2009 and 2010
  - new homepage against medicine counterfeiting ([www.hamisgyogyszer.hu](http://www.hamisgyogyszer.hu)) – March 2009
  - Leaflets, posters placed in doctor's surgeries, pharmacies, health portals, TV ad



# Awareness raising - exhibition

- „Fake promises, real dangers” - Exhibition against counterfeiting – in cooperation with the Hungarian Customs and Finance Guard in December, 2009 in Budapest
- Anti-counterfeiting roadshow; locations:
  - Veszprém, Pécs, Székesfehérvár, Győr, Sopron, Debrecen, etc.



# First results of the activities of the NBAC



## Special 301 Report 2010

Since 2003 the first time Hungary is being removed from the Special 301 Watch List prepared by the Office of the United States Trade Representative

### Positive Developments:

- significant improvement on enforcement and other actions
- proactive steps against Internet piracy,
- development of officials ability to identify infringing products,
- effective measures to protect IPR (public awareness raising campaigns, training and educational seminars for police, prosecutors, judges)



All these actions were coordinated by the NBAC.

# First results of the activities of the NBAC – Software Piracy Rates decrease –

Seventh Annual BSA/IDC Global Software 09 PIRACY STUDY

PC Software Piracy Rates in Hungary – a decrease of 1 %

Commercial Value of Unlicensed Software in Hungary – a decrease of 29%

	Piracy Rates (%)				Commercial Value of Unlicensed Software (\$M)			
	2006	2007	2008	2009	2006	2007	2008	2009
Hungary	42	42	42	41	111	125	146	113
European Union	36	35	35	35	11003	12383	13981	12469
TOTAL WORLDWIDE	35	38	41	43	39698	47809	52998	51411

Source: BSA/IDC 09 Piracy Study

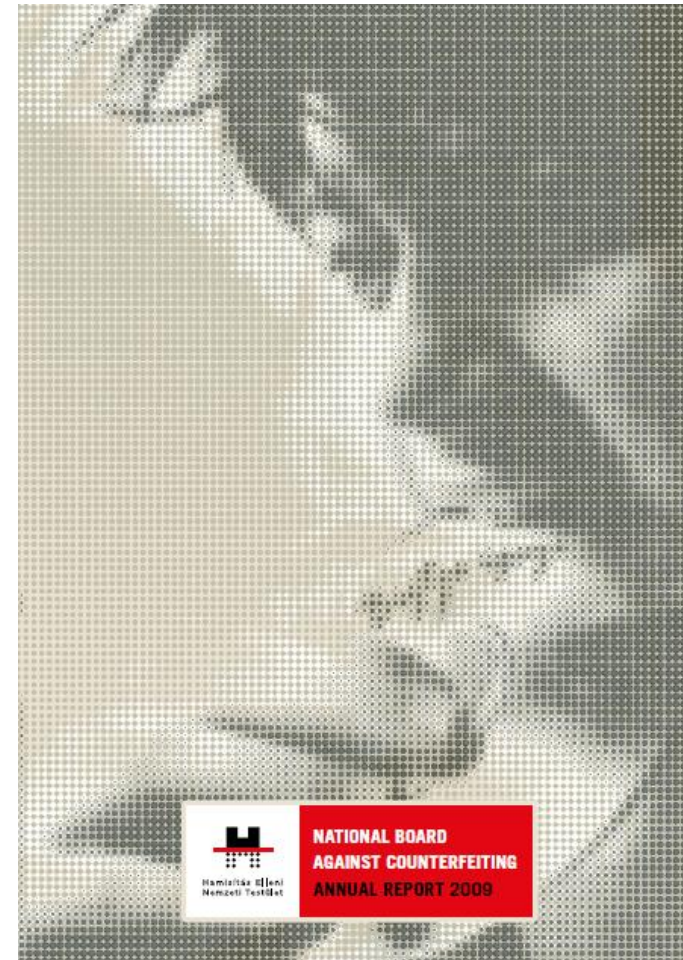
# First results of the activities of the NBAC – publications –

1st NBAC **Annual Report 2009**  
published by the Secretariat of the  
National Board Against Counterfeiting  
and the Hungarian Patent Office  
in Hungarian and English

New series of publications: „**NBAC  
brochures**”, starting in June 2010 :

**No 1:** Measuring the scale and  
economic impact of counterfeiting and  
piracy – study on the international  
„good practices” of measurement

**No. 2:** Repertory of information and  
statistical data on counterfeiting and  
piracy in Hungary





# National report on the implementation of the Enforcement Directive

- Article 18(1) of Directive 2004/48/EC requires Member States to prepare a national report on the implementation of the rules and the experience gathered (deadline: 29 April 2009)
- The national reports will form the basis of a Commission report on the various effects of the Directive, with a possible eventual initiative to amend it
- Hungary fulfilled this obligation by preparing a document based on answers received to annual questionnaires sent out to stakeholders and public authorities (courts, police, etc.)
- The Hungarian questionnaire was broader than the ones in the Commission methodology (additional questions concerning criminal law experiences, insights about expert bodies, etc.)
- The national report is available on the HPO's website (in English)

## Some of the report's conclusions

- Evaluation is premature (not enough experience with the new measures, few closed cases)
- The Directive and the amendments of national law have sent out a positive message for IP rightholders
- The amendments introduced measures that strengthen the rightholders position, but some fine-tuning may be needed to differentiate between the forms of IP protection
- The criticism about the efficiency of enforcement measures concern principally the inherent – and horizontal – deficiencies of civil court proceedings (delays, low level of damages, execution issues, etc), not the new measures
- The two most welcome types of measures are provisional measures (in their amended form) and new rules relating to the right to information

# Possible IPR enforcement items on the Hungarian Presidency's agenda

- Amendment of the Enforcement Directive  
based on the COM's report to be finalised by October 2010
- Harmonization of criminal IP law  
ongoing work on a study on the effects of harmonization
- ACTA negotiations  
9th round in Luzern (late June 2010)  
plans to sign the Agreement in 2010

# Outlook - other EU strategies

- The Stockholm Programme –the Swedish Presidency's document
  - Economic crime and corruption
  - Geographical priorities and international organisations

# Outlook - other EU strategies

- EUROPE 2020
  - Flagship Initiative: „Innovation Union”
  - Flagship Initiative: „An industrial policy for the globalisation era”

# Outlook - other EU strategies

- Communication from the Commission: A digital agenda for Europe
- Green Paper - Unlocking the potential of cultural and creative industries
- A new strategy for the single market at the service of Europe's economy and society, the report to the President of the European Commission José Manuel Barroso by Mario Monti



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