

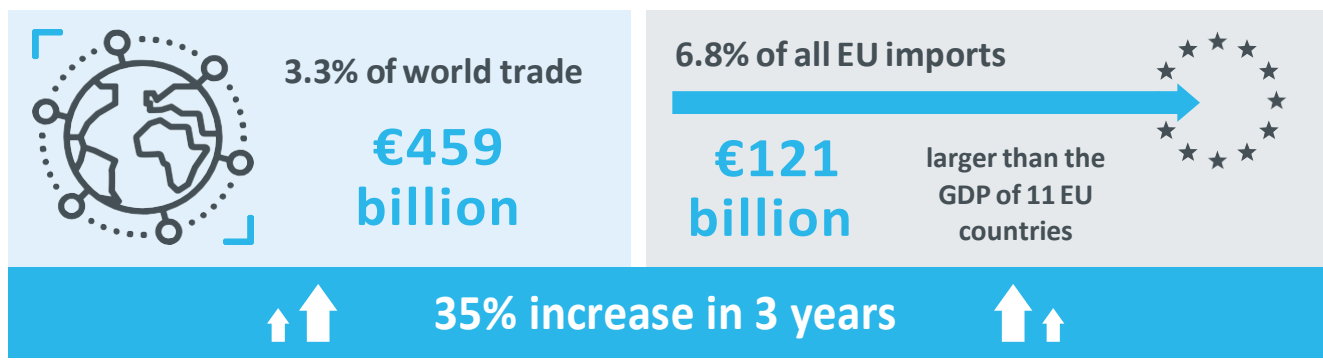


Roadmap for a Clean & Fair Online Economy in Europe

by AIM – representing innovative brand manufacturers, creating and investing in Europe

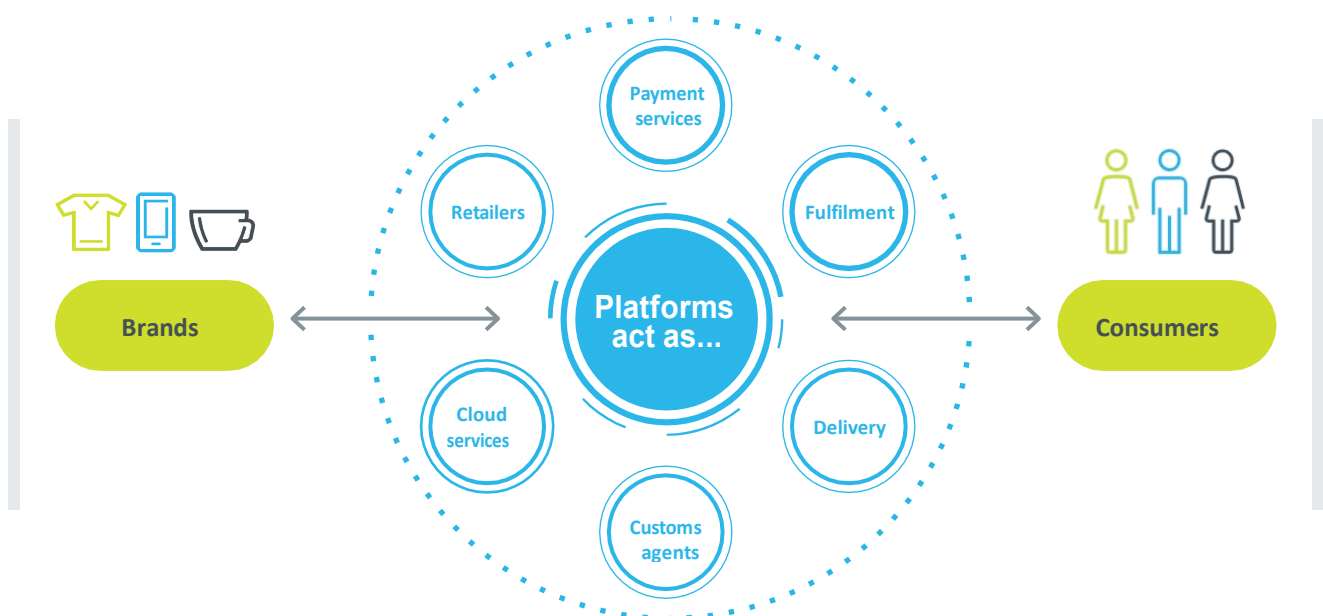
The Digital Services Act is the opportunity to update the digital economy legal framework to encourage all actors to play fairly and to comply with EU standards, to protect consumers and safeguard trust in the digital environment. Creating such a framework of trust is Europe's opportunity to lead in this space in the future.

Counterfeit and pirated goods account for:



Ensuring a level playing field across the entire supply chain

All stakeholders have to act in a coordinated and coherent way in order to ensure that illegal goods no longer reach consumers, including via online platforms.



What can the EU do to stop illegal goods from harming consumers



Pro-active screening

Voluntary measures applied by platforms to prevent illegal goods from being offered for sale on their services have been proven not to work. The volume of illegal goods found on platforms keeps increasing and too many consumers are exposed to illegal goods.

Intermediary service providers should be required to pro-actively screen their systems to detect and remove illegal goods. Such pro-active measures should include: clear terms and conditions against illegal goods; banning and preventing the known fraudulent practices; prohibiting the use of blurred/cropped/concealed images and the unauthorised use of brand images; and preventing repeat offenders from accessing their services.



Know and verify your sellers

It is too easy to sell illegal goods online. Platforms currently do not verify the identity of sellers, leaving harmed consumers or business harm with no way to trace liability. This is heavily exploited by fraudsters.

Platforms should be required to verify the identity of all sellers, an obligation already applying to certain traders under the AML legislation. This could be done, for example, by using the national and EU level VAT databases, business registries or multiple other third party verification systems.

Such measures would enable platforms to better fight against repeat offenders accessing their services simply by creating new accounts.



Transparency and data sharing on illegal products

Platforms are not transparent about which illegal products are removed and how many notices pertaining to illegal goods they receive and act upon.

Transparency obligations should be implemented to ensure that data is made available on a pro-active basis to law enforcement authorities, speeding up the prosecution of the criminal networks behind the sale of illegal goods.



Remove illegal products and inform consumers promptly

Platforms should establish user-friendly notice and action procedures for the swift removal of illegal products, as well as put in place a “stay down mechanism” ensuring that an illegal product, which they have agreed to take down, does not reappear on their services. **Individual brand holders should also be awarded the status of “trusted flaggers”,** giving priority treatment to their notices, since they alone can authenticate their products.

Consumers are left unaware of the illegal products they have purchased on platforms. Although platforms remove the products and inform the sellers that these products have been removed, platforms are the only ones able to know who purchased a product and inform these consumers.

Platforms should have an obligation to inform consumers of the fact that the product they previously bought has since been removed from sale as illegal/counterfeit.



Why address this now?

The European Commission has rightfully pointed to a future which is digital, sustainable and, most importantly, places people at the heart of everything we do. The digital world, with all its players, needs to embrace this and ensure that what is illegal offline should be illegal online. We need a legislative framework which serves a compliance by design purpose. Everyone has a role and responsibility to act now and ensure we have a legitimate and strong digital economy for the future.