

# Upcycling Program for Counterfeit Goods



The detection and confiscation of counterfeit goods is becoming increasingly efficient, creating new logistical and environmental challenges for national authorities.

Generally, counterfeit goods are disposed of by open-air incineration, grinding, crushing, or burial in a landfill, with the precise method varying according to the nature of the goods to be destroyed. Depending on the context, donations are also possible. A problem is that methods like open-air incineration, which is an effective way to definitively eliminate counterfeit goods from the market, can have devastating long-term effects on the environment and health. To minimize the environmental impact of the disposals, specialized facilities, expertise, and high levels of stakeholder collaboration have been required.

From an IP perspective, the first step in addressing seized counterfeits is to remove the possibility of such goods re-entering the market. Now, for some IP Offices, the subsequent step has become identification of ways to recycle the goods, for a better environmental footprint as well as job creation and other benefits. For example, in the UK, the government has tackled this problem

by dividing the recycling processes between multiple government agencies and non-profit organizations.

In South Africa, the Companies and IP Commission (CIPC) has found that disposing of counterfeit goods in an environmentally friendly manner is not only possible but can also generate jobs and additional income for the IP Office. The CIPC is piloting a program to recycle and upcycle counterfeit goods that have been seized, rather than destroying them. The items are deconstructed and used to make entirely new clothes, such as aprons, or other items without any trace of the false branding or marking from the original item. To further mask the origin of the new items, some of them are painted by local artists.

The South African program provides job creation benefits, and special emphasis has been on recruiting women to participate. It is still in the pilot phase, and the government is working to secure endorsement from the relevant rights holders for the program. This program shows promise in addressing an environmentally unfriendly practice, that is, destroying seized counterfeit products like clothing and bags.

## Intended impact

Create an environmentally friendly system to recycle or upcycle seized counterfeit goods.  
Generate jobs and create additional income for the IP Office.  
Favor the work of local artists and emphasize the recruitment of women to participate.

## Beneficiaries

The public benefits from reduced negative environmental and health impacts from destruction. Other beneficiaries include those employed by the program, consumers of the upcycled goods, and the IP Office which may receive extra revenue. It benefits the rights holders whose seized counterfeit goods are eliminated from the market without the negative impacts from destruction.

## Considerations for implementation

- Recycling and upcycling programs could likely be replicated in additional countries.
- Creation of the program may involve substantial resources given the need for recruitment of the right people to successfully upcycle and market the goods, purchase of inputs and tools, creation of channels for distribution, and other tasks. Resource-intensity may depend in part on the volume of goods in question.
- Right holders may find it difficult to accept that the seized counterfeit goods are not being destroyed. Therefore, this important stakeholder group must be engaged.